BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Application of Uber Technologies, Inc. (TCP 38150) to Provide High-Capacity Vehicle Service.	Application 22-01-_____

APPLICATION OF UBER TECHNOLOGIES, INC. TO PROVIDE HIGH CAPACITY VEHICLE SERVICE

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January 28, 2022

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TABLE OF CONTENTS

Page

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Uber Technologies, Inc. (TCP 38150) to Provide High-Capacity Vehicle Service.	Application 22-01-_____

APPLICATION OF UBER TECHNOLOGIES, INC. TO PROVIDE HIGH CAPACITY VEHICLE SERVICE

Pursuant to Article 2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), Uber Technologies, Inc. ("Uber") submits this application to provide high-capacity vehicle ("HCV") service utilizing its existing charter-party carrier authority (TCP 38150).

I. INTRODUCTION

To meet demand for safe, efficient, and convenient solutions for return-to-work commuting, Uber has developed a new technology product designed to streamline companies' partnerships with fleet operators and enhance private employee shuttle services. Uber's HCV product acts as a pure technology layer between business clients and fleet operators to facilitate employee commuting needs: businesses will determine the scope of high-capacity vehicle services they require and designate the specific passengers, usually employees, eligible to access those services, and Commission-regulated fleet operators will deliver the service, provide vehicles, and employ and manage drivers. Uber's HCV product will simply provide these businesses and the fleet operators they contract with the technology via the Uber app to make those closed-system operations more efficient and attractive, especially to an employer's commuting workforce. And as compensation, Uber will only receive a bilaterally negotiated service fee from its business clients or the fleet operators for providing this technology. Uber will not receive compensation from any riders.

Although the Uber HCV product described within this application is a pure technology service, Uber appreciates the Commission's authority to regulate commercial activities "engaged in" the provision of transportation by motor vehicle. Accordingly, Uber affirmatively requests that the Commission regulate this proposed high-capacity vehicle service pursuant to Uber's existing charter party carrier ("TCP") authority. Charter party classification makes sense for this product[1] because that is how the underlying service provided by fleet operators is regulated. And this is precisely how Uber utilizes its current TCP authority today—by providing a technology product that facilitates existing TCP holders (usually livery providers) to deliver their transportation services to customers.

This is an important time for a technology like Uber's HCV product. The eventual return to in-person work in California will likely add to congestion on the roads and millions of tons of commuter-emitted carbon to the atmosphere each year, and in the short term, encouraging commuters to utilize safe, convenient, employer-sponsored, route-optimized, high-capacity transportation options will reduce the congestion on the roads and the volume and effects of those emissions. Uber shares the Commission's commitment to providing safe, efficient, and convenient transportation options to Californians as well as reducing congestion and greenhouse gas emissions and looks forward to working with the Commission to deploy this new technology to advance these shared goals.

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[1] A number of competitors like RidePal, TripShot, and Via are currently engaged in this high-capacity vehicle service in California for compensation utilizing existing charter party carriers, but to Uber's knowledge, are as yet unregulated by the Commission.

II. THE UBER HCV PRODUCT

Numerous large employers in California currently contract with private charter party carriers regulated by the Commission to transport their employees to and from their respective neighborhoods and corporate campuses. These employers typically work with Commission-regulated fleet operators to design customized routes, designate stops, identify authorized riders, and set up related support operations, such as communications systems to alert authorized riders to route changes or delays. These fleet operators typically charge businesses a fee based on the time and distance of the pre-arranged travel.

Uber's HCV service is a technology product that utilizes Uber's proprietary algorithms and expertise in transportation systems management to enhance these existing relationships by providing better functionality, greater efficiency, and convenience for businesses, fleet operators, and riders at every step. Uber plans to market and sell the Uber HCV product to businesses or to the fleet operators who provide the chartered transportation service for a fixed negotiated technology service fee (unrelated to the time and distance of any arranged travel), and will not receive compensation from riders.

The HCV technology will add value for businesses, carriers, and riders alike. Employers, especially, will have the ability to select optimized routes and schedules that support their commuter programs, provide a benefit to employees by offering a valuable service, and advance their decarbonization goals. The technology will also allow employers to continually reoptimize their commuter programs dynamically over time in response to actual usage patterns and changes in the composition of their workforce. The ultimate selection of routes, schedules, and riders authorized to use the service will remain the business client's decision, and Uber's technology simply provides businesses with tools to enhance the commute experience, such as a centralized dashboard, data on commute patterns, and better and more convenient options.

For Commission-regulated fleet operators, the technology will similarly provide a seamless scheduling tool that generates proposed shift schedules and proposed driver assignments based on operator-submitted and driver-submitted information, and offer carriers' drivers the convenience of the Uber app to view route information and assist with checking in approved riders. Operators will charge the business clients on a time and distance basis for exclusive carriage of their designated riders, and make all operational decisions about which of its vehicles to assign, and which of its drivers to staff on which routes. The Uber HCV technology will only improve the information available to operators making those decisions, and offer tools to enhance convenience and efficiency.

Commuting employee riders, meanwhile, will benefit from the functionality the Uber app provides. Eligible employees authorized by their employer to access their customized private commuter service will use the Uber app to book a ride in advance of the trip. Riders will be able to input their origin and desired destination (if an employer has multiple drop-off points), browse the routes, stops, and scheduled trips available, and select a desired route and departure time. And employers may also choose to enable an autobooking feature, whereby employees with a regular commuting pattern may choose to pre-arrange automated recurring bookings.

Once booked, riders can track the location of the operator's vehicle in the Uber app, and receive updates and reminders on timing, service delays or schedule changes. To board, confirmed riders will present their booking confirmations in the app to the driver assigned by the operator to their route, who will validate their credentials. Riders will be able to track and share their trip progress and estimated time of arrival through the Uber app, just as they would were they traveling via one of the other products available on the Uber platform (i.e., UberX or Uber Black). And riders would also have access to safety features Uber offers its TNC and existing TCP customers (i.e., 911 assistance) while on board.

Through all of these features, the Uber HCV technology functions to make private shuttle commuting more convenient, cost-efficient, and attractive to employers and employees alike, with the intended effect of reducing the number of commuter vehicles on the road, as well as the volume of emissions released by those vehicles.

III. UBER'S HCV PRODUCT FALLS WITHIN UBER'S TCP AUTHORITY

The Public Utilities Code, and the Commission's precedents, make clear that the Uber HCV product should be regulated as a TCP service, if regulated at all. In fact, companies like TripShot, RidePal, and Via currently offer similar services without being regulated by the Commission.

The Public Utilities Code defines a TCP service as one in which any "person engage[s] in the transportation of persons by motor vehicle for compensation" on a "prearranged" basis.[2] Although the Commission has found that this "definition of a TCP is ambiguous" as to "whether the definition is limited to the entity that does the driving,"[3] the Commission has broadly held that a commercial technology provider like Uber "engage[s] in" a TCP service if it is in any respect "involved in [a] TCP activity," including its facilitation.[4] For example, the Commission has held that the Uber Black product constitutes a TCP service because it collects time-and-distance-based fees for providing means for passengers to prearrange private chartered motor vehicle transportation through independent TCP carriers, even if Uber does not itself own the vehicles or operate the carriers that actually provide the transportation.[5] The Commission therefore ordered

[2] Cal. Pub. Util. Code §§ 5360, 5360.5.
[3] Resolution ALJ-371, at 3, K.19-03-015.
[4] D.18-04-005, *mimeo* at 24 (citation omitted).
[5] *Id.* at 24-26.

Uber to "receive authorization from the Commission to operate as a TCP,"[6] which Uber has since obtained to offer the Uber Black product.[7]

Though there are important differences between the Uber Black product and the Uber HCV product that may suggest that the HCV product should remain unregulated—including differences involving the nature and calculation of Uber's compensation, as well as the ***necessity*** of Uber's participation to facilitate the subject transportation[8]—the Uber HCV product most nearly fits within the Commission's interpretation of a TCP service. The Uber HCV technology enables select riders to prearrange private chartered transportation closed to the general public. And it does so for a fee using a technology that connects transportation service providers (TCP operators) with those riders (e.g., employees) through a third-party arranger (e.g., employers).[9] If the Commission were inclined to regulate the Uber HCV product, Uber would accordingly request a ruling declaring it a TCP service authorized by (and subject to regulation under) Uber's existing TCP permit.

The public interest supports such authorization. Declaring the Uber HCV product a TCP service would enable Uber to have insight into the compliance of TCP operators on Uber's platform, better ensuring their safe operation, which is in the public interest.[10] Though the Commission already imposes regulatory requirements on permitted fleet operators providing HCV service to Uber's proposed business clients, authorizing Uber to facilitate this service pursuant to

[6] *Id.* at 26.
[7] *See* Uber Technologies, Inc.'s active TCP Class A Certificate – Prime Carrier NV/ND, https://tcportal.cpuc.ca.gov/TCP/s/account/001t000000g873eAAA/uber-technologies-inc.
[8] *Cf.* D.18-04-005, *mimeo* at 25 (concluding that Uber Black constituted a TCP service because "[w]ithout Uber's engagement, there would be no TCP services for the TCP holders to provide").
[9] *See* D.21-06-044, *mimeo* at 7-8 (finding that Uber's similar involvement in TCP activity was sufficient for the Commission to lawfully make a finding that Uber was "engaged in" transportation and thus a TCP).
[10] *See, e.g.,* Uber Response, at 5-6, Investigation 21-12-001 (Jan. 6, 2022).

its existing TCP authority would enable Uber to independently monitor fleet operators' compliance with Commission rules. For this reason as well, the Commission should approve this Application.

Finally, declaring the Uber HCV product a TCP service will likely mean that the Commission will include this service in its Clean Miles Standard (CMS) program should it choose to include TCPs in that regulation. Launching the HCV product is already consistent with Uber's commitment to be a zero-emissions platform by 2040.[11] However, finding the HCV product to be a TCP service will best ensure that Uber's HCV product can contribute to the Commission's implementation of the CMS program and the Commission's goals to reduce congestion and the overall amount of transportation-related greenhouse gas emissions in California.

IV. APPLICATION REQUIREMENTS PURSUANT TO ARTICLE 2

Article 2 of the Commission Rules sets forth the requirements for Applications generally. The following sections provide information required by Rules 2.1, 2.2, and 2.4.

A. Requested Authority – Rule 2.1

Uber respectfully requests authorization to operate the Uber HCV technology, as described in this application, pursuant to its existing TCP authorization.

B. Information Regarding Applicant – Rule 2.1(a)

As described above, Uber Technologies, Inc. is a Delaware limited liability company that is authorized to do business in the State of California. Its principal place of business in California is 1515 3rd Street, San Francisco, California 94158.

C. Correspondence – Rule 2.1(b)

All communications, correspondence, and pleadings with respect to this application should be directed to:

[11] *See* https://www.uber.com/us/en/about/sustainability.

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D. Categorization, Need for Hearing, Issues, Schedule – Rule 2.1(c)

The Commission should classify this proceeding as ratesetting. Although this application does not affect rates, Commission rules specify that a proceeding which does not clearly fit any defined category should follow ratesetting procedures.[12]

1. Need for Hearings

No hearings are needed for the Commission to act on this application.

2. Issues to Be Considered

The sole issue in this proceeding is whether the Uber HCV product should be regulated, and if so, whether it should be regulated as a TCP pursuant to Uber's existing TCP authorization.

3. Proposed Schedule

Uber proposes the following schedule:

February 2022	Final date for protests 30 days after notice of the Application appears in calendar
March 2022	Prehearing Conference
April 2022	Mandatory scoping memo issued
June 2022	Proposed Decision Issued (if required)
July 2022	Final Decision

[12] *See* Rule 7.1(e)(2).

E. Organization and Qualifications to Transact Business – Rule 2.2

Copies of Uber's qualifying formation documents and certificates of registration (good standing) from the California Secretary of State are attached as **Exhibit A**.

F. Financial Statements – Rule 2.3

A copy of Uber's qualifying consolidated financial statements as included in its Annual Report is attached to this application as **Exhibit B**.

G. CEQA Compliance – Rule 2.4

The California Environmental Quality Act ("CEQA") applies only to "projects," which are defined as any "activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment."[13] CEQA does not apply where the "activity will not result in a direct or reasonably foreseeable indirect physical change in the environment."[14]

Pursuant to these standards, the Commission has made clear that "[t]he adoption of an expanded regulatory scheme" generally does not constitute a project that requires CEQA review.[15] In a recent decision, for example, the Commission declined to treat its decision authorizing an expansion of existing autonomous vehicle ("AV") activity under a TCP-framework as a "project" subject to CEQA.[16] Rejecting contentions by various opponents to the grant of expanded TCP activity, the Commission found no qualifying direct impacts because its decision establishing TCP authorization for AV activity "by itself . . . does not directly and immediately cause an increase in

[13] Cal. Pub. Res. Code § 21065.
[14] Cal. Code Regs. tit. 14 § 15060(c)(2) ("CEQA Guidelines").
[15] D.21-05-017, *mimeo* at 4 (May 6, 2021).
[16] *See id., mimeo.* at 1-5.

the vehicles on the road."[17] The Commission further found no qualifying foreseeable indirect impacts because even "[t]o the extent the Decision may result in AV utilization by TCPs, the creation of a regulatory scheme, by itself, is far too speculative to undertake environmental review of any such resulting effects."[18]

This application likewise seeks approval for expanded TCP authorization for new technology, and for the same reasons, by itself implicates no qualifying direct or indirect impacts sufficient to trigger CEQA review. Uber accordingly requests a determination pursuant to Rule 2.4 of the Commission's Rules that the relief requested is not a project subject to CEQA.

V. CONCLUSION

For the reasons provided above, Uber respectfully requests that the Commission approve the application.

Respectfully submitted,

/s/
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Attorneys for Uber Technologies, Inc.

January 28, 2022

[17] *Id., mimeo* at 4.
[18] *Id., mimeo* at 5.

VERIFICATION

My name is Leslie Boley. I am signing this verification on behalf of Tony West, pursuant to the attached Power of Attorney. Tony West is an officer of Uber Technologies, Inc., and is authorized to make this verification on its behalf. I have read the foregoing application. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 28, 2022 at San Francisco, California.

/s/ Leslie Boley
Leslie Boley

Head of Western U.S. Regulatory, Strategy, and Operations
Uber Technologies, Inc.

LIST OF EXHIBITS

Exhibit A – Uber's Articles of Incorporation and Certificate of Good Standing

Exhibit B – Uber's Consolidated Financial Statements

Exhibit A

Uber’s Articles of Incorporation and Certificate of Good Standing

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

UBER TECHNOLOGIES, INC.

Dara Khosrowshahi hereby certifies that:

ONE: The original name of this company was UberCab, Inc. and the date of filing the original Certificate of Incorporation of this company with the Secretary of State of the State of Delaware was July 16, 2010.

TWO: He is the duly elected and acting Chief Executive Officer of Uber Technologies, Inc., a Delaware corporation.

THREE: The Amended and Restated Certificate of Incorporation of this company is hereby amended and restated to read as follows:

I.

The name of this company is **UBER TECHNOLOGIES, INC.** (the "***Company***").

II.

The address of the registered office of the Company in the State of Delaware is 160 Greentree Dr., Ste 101, Dover, Delaware, County of Kent, 19904, and the name of the registered agent of the Company in the State of Delaware at such address is National Registered Agents, Inc.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("***DGCL***").

IV.

A. This Company is authorized to issue two classes of stock to be designated, respectively, "***Common Stock***" and "***Preferred Stock***." The total number of shares which the Company is authorized to issue is five billion ten million (5,010,000,000) shares. Five billion (5,000,000,000) shares shall be Common Stock, having a par value per share of $0.00001. Ten million (10,000,000) shares shall be Preferred Stock, having a par value per share of $0.00001.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company (the "***Board of Directors***") is hereby expressly authorized to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Company for their vote; *provided, however*, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon by law or pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Management of Business. The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors, whether or not there exist any vacancies in previously authorized directorships.

B. Board of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, at each annual meeting of stockholders (an "***Annual Meeting***"), the directors of the Company shall be elected annually by stockholders and shall hold office until the next Annual Meeting and until his or her successor shall have been duly elected and qualified, or until such director's prior death, resignation, retirement, disqualification or other removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. Removal of Directors. Subject to any limitation imposed by applicable law, the Board of Directors or any individual director or directors may be removed with or without cause by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the then-outstanding shares of capital stock of the Company entitled to vote generally at an election of directors.

D. VACANCIES. Subject to any limitations imposed by applicable law and the Bylaws of the Company and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office until the next Annual Meeting and until such director's successor shall have been elected and qualified, or until such director's prior death, resignation, retirement, disqualification or other removal.

E. BYLAW AMENDMENTS.

1. The Board of Directors is expressly empowered to adopt, alter, change, amend or repeal the Bylaws of the Company. Any adoption, amendment or repeal of the Bylaws of the Company by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, alter, change, amend or repeal the Bylaws of the Company; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Amended and Restated Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock), such action by stockholders shall require the affirmative vote of the holders of a majority of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class. Notwithstanding anything to the contrary herein, any alteration, change, amendment or repeal of Sections 17, 23, 27, 26, 29, 30 or 47 of the Bylaws of the Company shall require (i) the affirmative vote of two-thirds of the directors then in office and (ii) the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

2. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

3. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

4. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Company.

VI.

A. The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers, employees and other agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (A) any derivative action or proceeding brought on behalf of the Company; (B) any action asserting a breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders; (C) any action asserting a claim against the Company or any director or officer or other employee of the Company arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Bylaws of the Company; (D) any action or proceeding to interpret, apply, enforce or determine the validity of this Amended and Restated Certificate of Incorporation or the Bylaws of the Company (including any right, obligation, or remedy thereunder); (E) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; or (F) any action asserting a claim against the Company or any director or officer or other employee of the Company that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This Article VII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, subject to and contingent upon a final adjudication in the State of Delaware of the enforceability of such exclusive forum provision.

Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and to have consented to the provisions of this Article VII.

VIII.

A. The Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VIII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Amended and Restated Certificate of Incorporation or any provision of applicable law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Company required by law or by this Amended and Restated Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of (i) two-third (2/3) of the directors then in office and (ii) the holders of at least sixty-six and two-thirds percent (66 2/3%) of the then outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, alter, change or repeal Articles V and VIII.

* * * *

FOUR: This Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Company.

FIVE: This Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the DGCL. This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

In Witness Whereof, Uber Technologies, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its Chief Executive Officer this 14th day of May, 2019.

Uber Technologies, Inc.

By: /s/ Dara Khosrowshahi
Dara Khosrowshahi
Chief Executive Officer

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, Ph.D., Secretary of State of the State of California, hereby certify:

Entity Name:	UBER TECHNOLOGIES, INC.
File Number:	C3318029
Registration Date:	09/08/2010
Entity Type:	FOREIGN STOCK CORPORATION
Jurisdiction:	DELAWARE
Status:	ACTIVE (GOOD STANDING)

As of January 20, 2022 (Certification Date), the entity is qualified to transact intrastate business in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the Certification Date and does not reflect documents that are pending review or other events that may affect status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of January 21, 2022.

SHIRLEY N. WEBER, Ph.D.
Secretary of State

Certificate Verification Number: YWPMMWZ

To verify the issuance of this Certificate, use the Certificate Verification Number above with the Secretary of State Certification Verification Search available at *bebizfile.sos.ca.gov/certification/index*.

Exhibit B

Uber's Consolidated Financial Statement

Uber

2020 Annual Report

UBER TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share amounts which are reflected in thousands, and per share amounts)

	As of December 31, 2019	As of December 31, 2020
Assets		
Cash and cash equivalents	$ 10,873	$ 5,647
Short-term investments	440	1,180
Restricted cash and cash equivalents	99	250
Accounts receivable, net of allowance of $34 and $55, respectively	1,214	1,073
Prepaid expenses and other current assets	1,299	1,215
Assets held for sale	—	517
Total current assets	13,925	9,882
Restricted cash and cash equivalents	1,095	1,494
Collateral held by insurer	1,199	860
Investments (including amortized cost of debt securities of $2,279 and $2,281)	10,527	9,052
Equity method investments	1,364	1,079
Property and equipment, net	1,731	1,814
Operating lease right-of-use assets	1,594	1,274
Intangible assets, net	71	1,564
Goodwill	167	6,109
Other assets	88	124
Total assets	$ 31,761	$ 33,252
Liabilities, mezzanine equity and equity		
Accounts payable	$ 272	$ 235
Short-term insurance reserves	1,121	1,243
Operating lease liabilities, current	196	175
Accrued and other current liabilities	4,050	5,112
Liabilities held for sale	—	100
Total current liabilities	5,639	6,865
Long-term insurance reserves	2,297	2,223
Long-term debt, net of current portion	5,707	7,560
Operating lease liabilities, non-current	1,523	1,544
Other long-term liabilities	1,412	1,306
Total liabilities	16,578	19,498
Commitments and contingencies (Note 15)		
Mezzanine equity		
Redeemable non-controlling interests	311	787
Equity		
Common stock, $0.00001 par value, 5,000,000 shares authorized for both periods, 1,716,681 and 1,849,794 shares issued and outstanding, respectively	—	—
Additional paid-in capital	30,739	35,931
Accumulated other comprehensive loss	(187)	(535)
Accumulated deficit	(16,362)	(23,130)
Total Uber Technologies, Inc. stockholders' equity	14,190	12,266
Non-redeemable non-controlling interests	682	701
Total equity	14,872	12,967
Total liabilities, mezzanine equity and equity	$ 31,761	$ 33,252

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except share amounts which are reflected in thousands, and per share amounts)

	Year Ended December 31,		
	2018 [1]	2019 [1]	2020
Revenue	$ 10,433	$ 13,000	$ 11,139
Costs and expenses			
Cost of revenue, exclusive of depreciation and amortization shown separately below	4,786	6,061	5,154
Operations and support	1,516	2,302	1,819
Sales and marketing	3,151	4,626	3,583
Research and development	1,505	4,836	2,205
General and administrative	2,082	3,299	2,666
Depreciation and amortization	426	472	575
Total costs and expenses	13,466	21,596	16,002
Loss from operations	(3,033)	(8,596)	(4,863)
Interest expense	(648)	(559)	(458)
Other income (expense), net	4,993	722	(1,625)
Income (loss) before income taxes and loss from equity method investments	1,312	(8,433)	(6,946)
Provision for (benefit from) income taxes	283	45	(192)
Loss from equity method investments	(42)	(34)	(34)
Net income (loss) including non-controlling interests	987	(8,512)	(6,788)
Less: net loss attributable to non-controlling interests, net of tax	(10)	(6)	(20)
Net income (loss) attributable to Uber Technologies, Inc.	$ 997	$ (8,506)	$ (6,768)
Net income (loss) per share attributable to Uber Technologies, Inc. common stockholders:			
Basic	$ —	$ (6.81)	$ (3.86)
Diluted	$ —	$ (6.81)	$ (3.86)
Weighted-average shares used to compute net income (loss) per share attributable to common stockholders:			
Basic	443,368	1,248,353	1,752,960
Diluted	478,999	1,248,353	1,752,960

(1) Our revenue and cost of revenue, exclusive of depreciation and amortization, have been retrospectively adjusted to reflect the implementation of our new accounting policy adopted in the fourth quarter of 2020. Refer to Note 1 - Description of Business and Summary of Significant Accounting Policies for further information on the change in accounting policy.

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

	Year Ended December 31,		
	2018	**2019**	**2020**
Net income (loss) including non-controlling interests	$ 987	$ (8,512)	$ (6,788)
Other comprehensive income (loss), net of tax:			
Change in foreign currency translation adjustment	(225)	(3)	(350)
Change in unrealized gain on investments in available-for-sale securities	40	4	2
Other comprehensive income (loss), net of tax	(185)	1	(348)
Comprehensive income (loss) including non-controlling interests	802	(8,511)	(7,136)
Less: comprehensive loss attributable to non-controlling interests	(10)	(6)	(20)
Comprehensive income (loss) attributable to Uber Technologies, Inc.	$ 812	$ (8,505)	$ (7,116)

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF MEZZANINE EQUITY AND EQUITY (DEFICIT)
(In millions, except share amounts which are reflected in thousands)

	Redeemable Non-Controlling Interest	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Equity (Deficit)
		Shares	Amount	Shares	Amount				
Balance as of December 31, 2017	$ —	863,305	$ 12,210	443,394	$ —	$ 320	$ (3)	$ (8,874)	$ (8,557)
Issuance of Series G redeemable convertible preferred stock, net of issuance costs	—	41,007	2,000	—	—	—	—	—	—
Repurchase of Series G redeemable convertible preferred stock from Didi	—	(754)	(37)	—	—	4	—	—	4
Exercise of warrants	—	54	3	34	—	1	—	—	1
Lapsing of repurchase option related to Series E redeemable convertible preferred stock issued to a non-employee service provider	—	—	1	—	—	—	—	—	—
Repurchase of outstanding shares	—	(5)	—	(2,553)	—	—	—	13	13
Exercise of stock options	—	—	—	11,809	—	27	—	—	27
Issuance of restricted common stock	—	—	—	514	—	21	—	—	21
Repurchase of unvested early-exercised stock options	—	—	—	(142)	—	—	—	—	—
Reclassification of early-exercised stock options from liability, net	—	—	—	—	—	1	—	—	1
Stock-based compensation	—	—	—	—	—	125	—	—	125
Issuance and repayment of employee loans collateralized by outstanding common stock	—	—	—	—	—	4	—	(1)	3
Issuance of common stock as consideration for investment and acquisition	—	—	—	4,133	—	144	—	—	144
Issuance of non-controlling interest	10	—	—	—	—	(10)	—	—	(10)
Deferred tax benefit arising from acquisition of previously consolidated entity	—	—	—	—	—	31	—	—	31
Unrealized gain on investments in available-for-sale securities, net of tax	—	—	—	—	—	—	40	—	40
Foreign currency translation adjustment	—	—	—	—	—	—	(225)	—	(225)
Net income (loss)	(10)	—	—	—	—	—	—	997	997
Balance as of December 31, 2018	$ —	903,607	$ 14,177	457,189	$ —	$ 668	$ (188)	$ (7,865)	$ (7,385)

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF MEZZANINE EQUITY AND EQUITY (DEFICIT)
(In millions, except share amounts which are reflected in thousands)

	Redeemable Non-Controlling Interest	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-Redeemable Non-Controlling Interests	Total Equity
		Shares	Amount	Shares	Amount					
Balance as of December 31, 2018	$ —	903,607	$ 14,177	457,189	$ —	$ 668	$ (188)	$ (7,865)	$ —	$ (7,385)
Cumulative effect of adoption of new accounting standard (ASC 842)	—	—	—	—	—	—	—	9	—	9
Vesting and exercise of warrants	—	923	45	—	—	—	—	—	—	—
Lapsing of repurchase option related to Series E redeemable convertible preferred stock issued to a non-employee service provider	—	—	2	—	—	10	—	—	—	10
Conversion of warrant to common stock in connection with initial public offering	—	—	—	150	—	7	—	—	—	7
Conversion of convertible notes to common stock in connection with initial public offering	—	—	—	93,978	—	4,229	—	—	—	4,229
Repurchase of outstanding shares	—	—	—	(1)	—	—	—	—	—	—
Exercise of stock options	—	—	—	6,924	—	21	—	—	—	21
Exercise of put option on common stock held by Yandex	—	—	—	(1,528)	—	(47)	—	—	—	(47)
Repurchase of unvested early-exercised stock options	—	—	—	(32)	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	4,634	—	—	—	4,634
Issuance of common stock under the Employee Stock Purchase Plan	—	—	—	2,076	—	49	—	—	—	49
Issuance of common stock in connection with initial public offering, net of offering costs	—	—	—	180,000	—	7,973	—	—	—	7,973
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	—	(904,530)	(14,224)	904,530	—	14,224	—	—	—	14,224
Issuance of common stock in private placement	—	—	—	11,111	—	500	—	—	—	500
Issuance of common stock for settlement of RSUs	—	—	—	98,328	—	—	—	—	—	—
Shares withheld related to net share settlement	—	—	—	(36,249)	—	(1,573)	—	—	—	(1,573)
Reclassification of share-based award liability to additional paid-in capital	—	—	—	—	—	21	—	—	—	21
Repayment of employee loans collateralized by outstanding common stock	—	—	—	—	—	14	—	—	—	14
Issuance of common stock as consideration for investment and acquisition	—	—	—	205	—	9	—	—	—	9
Issuance of non-controlling interests	333	—	—	—	—	—	—	—	667	667
Unrealized gain on investments in available-for-sale securities, net of tax	—	—	—	—	—	—	4	—	—	4
Foreign currency translation adjustment	—	—	—	—	—	—	(3)	—	—	(3)
Net loss	(22)	—	—	—	—	—	—	(8,506)	15	(8,491)
Balance as of December 31, 2019	$ 311	—	$ —	1,716,681	$ —	$ 30,739	$ (187)	$ (16,362)	$ 682	$ 14,872

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF MEZZANINE EQUITY AND EQUITY
(In millions, except share amounts which are reflected in thousands)

	Redeemable Non-Controlling Interest	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-Redeemable Non-Controlling Interests	Total Equity
		Shares	Amount					
Balance as of December 31, 2019	$ 311	1,716,681	$ —	$ 30,739	$ (187)	$ (16,362)	$ 682	$ 14,872
Exercise of stock options	—	16,821	—	80	—	—	—	80
Stock-based compensation	—	—	—	861	—	—	—	861
Issuance of common stock under the Employee Stock Purchase Plan	—	4,934	—	125	—	—	—	125
Equity component of convertible notes, net	—	—	—	243	—	—	—	243
Issuance of common stock as consideration for acquisitions	—	73,396	—	3,898	—	—	—	3,898
Issuance of common stock for settlement of RSUs	—	38,476	—	—	—	—	—	—
Shares withheld related to net share settlement	—	(555)	—	(17)	—	—	—	(17)
Release of shares previously held in escrow related to prior business combination	—	41	—	2	—	—	—	2
Recognition of non-controlling interest upon acquisition	290	—	—	—	—	—	—	—
Issuance of Freight subsidiary preferred stock, net of costs to issue	247	—	—	—	—	—	—	—
Unrealized gain on investments in available-for-sale securities, net of tax	—	—	—	—	2	—	—	2
Foreign currency translation adjustment	—	—	—	—	(350)	—	—	(350)
Distributions to non-controlling interests	(9)	—	—	—	—	—	(13)	(13)
Net loss	(52)	—	—	—	—	(6,768)	32	(6,736)
Balance as of December 31, 2020	$ 787	1,849,794	$ —	$ 35,931	$ (535)	$ (23,130)	$ 701	$ 12,967

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2018	2019	2020
Cash flows from operating activities			
Net income (loss) including non-controlling interests	$ 987	$ (8,512)	$ (6,788)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	426	472	575
Bad debt expense	71	92	76
Stock-based compensation	170	4,596	827
Gain on extinguishment of convertible notes and settlement of derivatives	—	(444)	—
Gain on business divestitures, net	(3,214)	—	(204)
Deferred income taxes	35	(88)	(266)
Revaluation of derivative liabilities	501	(58)	—
Accretion of discount on long-term debt	318	82	45
Payment-in-kind interest	71	10	—
Impairment of debt and equity securities	—	—	1,690
Impairments of goodwill, long-lived assets and other assets	197	—	404
Loss from equity method investments	42	34	34
Unrealized (gain) loss on debt and equity securities, net	(1,996)	(2)	125
Gain on forfeiture of unvested warrants and related share repurchases	(152)	—	—
Unrealized foreign currency transactions	53	16	48
Other	60	(19)	(43)
Change in assets and liabilities, net of impact of business acquisitions and disposals:			
Accounts receivable	(279)	(407)	142
Prepaid expenses and other assets	(473)	(478)	94
Collateral held by insurer	—	(1,199)	339
Operating lease right-of-use assets	—	201	341
Accounts payable	(39)	95	(133)
Accrued insurance reserves	943	481	(3)
Accrued expenses and other liabilities	738	960	83
Operating lease liabilities	—	(153)	(131)
Net cash used in operating activities	(1,541)	(4,321)	(2,745)
Cash flows from investing activities			
Proceeds from sale and disposal of property and equipment	369	51	3
Purchases of property and equipment	(558)	(588)	(616)
Purchases of equity method investments	(412)	—	—
Purchases of non-marketable equity securities	—	(100)	(10)
Purchases of marketable securities	—	(441)	(2,101)
Proceeds from maturities and sales of marketable securities	—	2	1,360
Proceeds from business disposal, net of cash divested	—	293	—
Acquisition of businesses, net of cash acquired	(64)	(7)	(1,471)
Return of capital from equity method investee	—	—	91
Purchase of notes receivable	—	—	(185)
Other investing activities	(30)	—	60
Net cash used in investing activities	(695)	(790)	(2,869)

UBER TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	Year Ended December 31,		
	2018	**2019**	**2020**
Cash flows from financing activities			
Proceeds from issuance of common stock upon initial public offering, net of offering costs	—	7,973	—
Taxes paid related to net share settlement of equity awards	—	(1,573)	(17)
Proceeds from issuance of common stock related to private placement	—	500	—
Proceeds from issuance of subsidiary preferred stock units	—	1,000	247
Proceeds from the issuance of common stock under the Employee Stock Purchase Plan	—	49	125
Issuance of term loan and notes, net of issuance costs	3,466	1,189	2,628
Principal repayment on term loan and notes	(19)	(27)	(527)
Principal repayment on Careem Notes	—	—	(891)
Principal repayment on revolving lines of credit	(491)	—	—
Principal payments on capital and finance leases	(89)	(138)	(224)
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	1,750	—	—
Repurchase of stock subject to put options related to Yandex	—	(74)	—
Other financing activities	23	40	38
Net cash provided by financing activities	4,640	8,939	1,379
Effect of exchange rate changes on cash and cash equivalents, and restricted cash and cash equivalents	(119)	(4)	(92)
Net increase (decrease) in cash and cash equivalents, and restricted cash and cash equivalents	2,285	3,824	(4,327)
Cash and cash equivalents, and restricted cash and cash equivalents			
Beginning of period	5,828	8,209	12,067
Reclassification from (to) assets held for sale during the period	96	34	(349)
End of period, excluding cash classified within assets held for sale	$ 8,209	$ 12,067	$ 7,391
Supplemental disclosures of cash flow information			
Cash paid for:			
Interest, net of amount capitalized	124	332	$ 412
Income taxes, net of refunds	289	133	82
Non-cash investing and financing activities:			
Conversion of redeemable convertible preferred stock to common stock upon initial public offering	—	14,224	—
Conversion of convertible notes to common stock upon initial public offering	—	4,229	—
Financed construction projects	177	—	—
Capital and finance lease obligations	165	251	196
Settlement of litigation through issuance of redeemable convertible preferred stock	250	—	—
Common stock issued in connection with acquisitions	93	9	3,898
Ownership interest in MLU B.V. received in connection with the disposition of Uber Russia/CIS operations	1,410	—	—
Grab debt security received in exchange for the sale of Southeast Asia operations	2,275	—	—
Ownership interest in Zomato received in exchange for the divestiture of Uber Eats India operations	—	—	171
Issuance of unsecured convertible notes in connection with Careem acquisition	—	—	1,228
Holdback amount of unsecured convertible notes in connection with Careem acquisition	—	—	423

The accompanying notes are an integral part of these consolidated financial statements.

UBER TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Description of Business and Summary of Significant Accounting Policies

Description of Business

Uber Technologies, Inc. (“Uber,” “we,” “our,” or “us”) was incorporated in Delaware in July 2010, and is headquartered in San Francisco, California. Uber is a technology platform that uses a massive network, leading technology, operational excellence and product expertise to power movement from point A to point B. Uber develops and operates proprietary technology applications supporting a variety of offerings on its platform (“platform(s)” or “Platform(s)”). Uber connects consumers (“Rider(s)”) with independent providers of ride services (“Mobility Driver(s)”) for ridesharing services, and connects Riders and other consumers (“Eaters”) with restaurants, grocers and other stores (collectively, “Merchants”) with delivery service providers (“Delivery People”) for meal preparation, grocery and other delivery services. Riders and Eaters are collectively referred to as “end-user(s)” or “consumer(s).” Mobility Drivers and Delivery People are collectively referred to as “Driver(s).” Uber also connects consumers with public transportation networks. Uber uses this same network, technology, operational excellence and product expertise to connect shippers with carriers in the freight industry. Uber is also developing technologies that will provide new solutions to solve everyday problems.

Our technology is used around the world, principally in the United States (“U.S.”) and Canada, Latin America, Europe, the Middle East, Africa, and Asia (excluding China and Southeast Asia).

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). We consolidate our wholly-owned subsidiaries and majority-owned subsidiaries over which we exercise control, and variable interest entities (“VIE”) where we are deemed to be the primary beneficiary. Refer to Note 16 - Variable Interest Entities ("VIEs") for further information. All intercompany balances and transactions have been eliminated.

Change in Accounting Policy

During the fourth quarter of 2020, we changed our accounting policy related to the presentation of cumulative payments to Drivers in excess of cumulative revenue from Drivers. Our policy for the presentation of these excess cumulative payments has changed from presenting them within cost of revenue, exclusive of depreciation and amortization, to presenting them as a reduction of revenue in our consolidated statements of operations.

As our business has evolved, we believe our new presentation policy is preferable as it better reflects the financial performance of transactions with customers across all of our businesses and provides more clarity about changes in both revenue and cost of revenue, exclusive of depreciation and amortization, resulting in improved financial reporting and alignment with financial information used internally by management.

In accordance with generally accepted accounting principles, all periods presented below have been retrospectively adjusted to reflect the effects of the change to revenue and cost of revenue, exclusive of depreciation and amortization. There was no net impact to loss from operations, net income (loss) attributable to Uber Technologies, Inc., or net income (loss) per share for any periods presented. The consolidated balance sheets, consolidated statements of mezzanine equity and equity (deficit), and the consolidated statements of cash flows are not affected by this change in accounting policy. The effect of the change is as follows:

	Year Ended December 31, 2018			Year Ended December 31, 2019			Year Ended December 31, 2020		
	Previously Reported	Effect of Change	As Adjusted	Previously Reported	Effect of Change	As Adjusted	Computed Under Previous Method	Effect of Change	As Reported
Revenue	$ 11,270	(837)	$ 10,433	$ 14,147	(1,147)	$ 13,000	$ 12,422	(1,283)	$ 11,139
Cost of revenue, exclusive of depreciation and amortization	5,623	(837)	4,786	7,208	(1,147)	6,061	6,437	(1,283)	5,154

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions, which affect the reported amounts in the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and other assumptions which management believes are reasonable under the circumstances. On an ongoing basis, management evaluates estimates, including, but not limited to: the incremental borrowing rate (“IBR”) applied in lease accounting; fair values of investments and other financial instruments (including the measurement of credit or impairment losses); useful lives of amortizable long-lived assets; fair value of acquired intangible assets and related impairment assessments; impairment of goodwill; stock-based compensation; income taxes and non-income tax reserves; certain deferred tax assets and tax liabilities;

insurance reserves; and other contingent liabilities. These estimates are inherently subject to judgment and actual results could differ from those estimates. We considered the impacts of the COVID-19 pandemic on the assumptions and inputs (including market data) supporting certain of these estimates, assumptions and judgments, in particular, our impairment assessment related to the determination of the fair values of certain investments and equity method investments as well as goodwill and the recoverability of long-lived assets. The level of uncertainties and volatility in the global financial markets and economies resulting from the pandemic as well as the uncertainties related to the impact of the pandemic on us and our investees' operations and financial performance means that these estimates may change in future periods, as new events occur and additional information is obtained.

Concentration of Credit Risk

Cash and cash equivalents, short-term investments, restricted cash and cash equivalents, other receivables, and accounts receivable are potentially subject to credit risk concentration. Cash, cash equivalents, and available-for-sale securities primarily consist of money market funds, cash deposits, U.S. government and agency securities, and investment-grade corporate debt securities. Our investment policy limits the amount of credit exposure with any one financial institution or commercial issuer. Cash deposits typically exceed insured limits and are placed with financial institutions around the world that we believe are of high credit quality. We have not experienced any material losses related to these concentrations during the periods presented. Our other receivables primarily consist of funds withheld by well-established insurance companies with high credit quality that may be used to cover future settlement of reserved insurance claims. We rely on a limited number of third parties to provide payment processing services ("payment service providers") to collect amounts due from end-users. Payment service providers are financial institutions or credit card companies that we believe are of high credit quality. No customers accounted for 10% or more of revenue for the years ended December 31, 2018, 2019 and 2020.

Certain Significant Risks and Uncertainties

We have incurred significant net losses since inception and had an accumulated deficit of 23.1 billion as of December 31, 2020. Our operations have historically been funded through equity and debt financings. While management currently anticipates that our available cash and cash equivalents, short-term investments, and revolving credit facility will be sufficient to meet our operational cash needs for at least the next twelve months from the date of issuance of these financial statements, additional capital may need to be raised or additional indebtedness incurred to continue to fund the operations and other strategic initiatives. We may not be able to obtain additional financing on favorable terms, if at all, or our ability to incur additional indebtedness may be restricted by the terms of our existing debt instruments.

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. COVID-19 has rapidly impacted market and economic conditions globally. In an attempt to limit the spread of the virus, various governmental restrictions have been implemented, including business activities and travel restrictions, and "shelter-at-home" orders, that have had an adverse impact on our business and operations by reducing, in particular, the global demand for Mobility offerings. In light of the evolving nature of COVID-19 and the uncertainty it has produced around the world, it is not possible to predict the COVID-19 pandemic's cumulative and ultimate impact on our future business operations, results of operations, financial position, liquidity, and cash flows. The extent of the impact of the pandemic on our business and financial results will depend largely on future developments, including the duration of the spread of the outbreak both globally and within the United States, including whether there will be further resurgences of COVID-19 in various regions, the distribution of vaccines in various regions, the impact on capital, foreign currencies exchange and financial markets, governmental or regulatory orders that impact our business and whether the impacts may result in permanent changes to our end-user' behavior, all of which are highly uncertain and cannot be predicted.

Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2019 and 2020 consisted of cash held in checking and savings accounts as well as investments in money market funds, commercial paper, U.S. government and agency securities, and corporate bonds. We consider all highly-liquid investments purchased with an original or remaining maturity of three months or less at the date of purchase to be cash equivalents. Cash includes amounts collected on behalf of, but not yet remitted to Drivers and Merchants, which are included in accrued and other current liabilities on the consolidated balance sheets.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents is pledged as security for letters of credit or other collateral amounts established by us for certain insurance policies and also include cash and cash equivalents that are unavailable for immediate use due to legal and/or contractual restrictions. Restricted cash and cash equivalents is classified as current and non-current assets based on the contractual or estimated term of the remaining restriction. The reconciliation of cash and cash equivalents and restricted cash and cash equivalents to amounts presented in the consolidated statements of cash flows are as follows (in millions):

	As of December 31,		
	2018	2019	2020
Cash and cash equivalents	$ 6,406	$ 10,873	$ 5,647
Restricted cash and cash equivalents - current	67	99	250
Restricted cash and cash equivalents - non-current	1,736	1,095	1,494
Total cash and cash equivalents, and restricted cash and cash equivalents	$ 8,209	$ 12,067	$ 7,391

Collateral Held by Insurer

Collateral held by insurer represents funds held by James River Group companies ("James River"). These funds, previously held in a trust account, were withdrawn by James River during the fourth quarter of 2019 upon notice of cancellation of their insurance policies (primarily auto insurance policies) issued to one of our subsidiaries. The funds continue to serve as collateral for us and our subsidiary's current and future claim settlement obligations under the indemnification agreements for these insurance policies as included in insurance reserves on the consolidated balance sheets. Accordingly, the amount withdrawn is presented as collateral held by insurer on the consolidated balance sheets as of December 31, 2019 and 2020.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable represents uncollected payments from end-users for completed transactions where (i) the payment method is credit card and includes (a) end-user payments not yet settled with payment service providers, and (b) end-user payments settled by payment service providers but not yet remitted to us, or (ii) completed shipments where we invoice Freight Customers ("Shippers") and payment has not been received. The timing of settlement of amounts due from these parties varies by region and by product. The portion of the receivable to be remitted to Drivers and Merchants is included in accrued and other current liabilities. Refer to Note 10 - Supplemental Financial Statement Information for amounts payable to Drivers and Merchants.

Although we pre-authorize forms of payment to mitigate our exposure, we bear the cost of any accounts receivable losses. We record an allowance for doubtful accounts for accounts receivable that may never settle or be collected, as well as for credit card chargebacks including fraudulent credit card transactions. We consider the allowance for doubtful accounts for fare amounts to be direct and incremental costs to revenue earned and, therefore, the costs are included as cost of revenue in the consolidated statements of operations. We estimate the allowance based on historical experience, estimated future payments and geographical trends, which are reviewed periodically and as needed, and amounts are written off when determined to be uncollectible. Chargebacks and credit card losses were $208 million, $195 million and $178 million for the years ended December 31, 2018, 2019 and 2020, respectively.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Property and Equipment	Estimated Useful Life
Land	Indefinite
Buildings	30-45 years
Site improvements	5-15 years
Leased vehicles	3-10 years
Computer equipment	3-5 years
Furniture and fixtures	3-5 years
Dockless e-bikes	3 years
Internal-use software	2 years
Leased computer equipment	Shorter of estimated useful life or lease term
Leasehold improvements	Shorter of estimated useful life or lease term

When assets are retired or otherwise disposed of, the cost, accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations in the period realized. Maintenance and repairs that do not enhance or extend the asset's useful life are charged to operating expenses as incurred.

We capitalize certain costs, such as compensation costs, including stock-based compensation, and interest incurred on outstanding debt, in developing internal-use software once planning has been completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will function as intended. Amortization of such costs occurs on a straight-line basis over the estimated useful life of the related asset and begins once the asset is ready for its intended use. Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed as incurred. In addition, we capitalize interest incurred on outstanding debt during the period of construction-in-progress of certain assets.

Leased vehicle assets are stated at cost, net of accumulated depreciation. The vast majority of our leased vehicle assets were reclassified to assets held for sale as of December 31, 2018. In January 2019, an agreement was executed with Waydrive Holdings Pte. Ltd. (“Waydrive”) to purchase the Lion City Rentals Pte. Ltd. (“LCR”), a wholly-owned vehicle solutions subsidiary of ours based in Singapore. Refer to Note 19 - Divestitures for further information. When leased vehicles are retired or otherwise disposed of, the cost and accumulated depreciation are removed and any resulting gain or loss is reflected in the consolidated statements of operations in the period realized. Maintenance and repair expenditures are charged to operating expenses as incurred.

Leases

We adopted Accounting Standards Codification (“ASC”) 842, “Leases” (“ASC 842”) on January 1, 2019, using the modified retrospective transition method and used the effective date as the date of initial application. We elected the “package of practical expedients,” which permits us not to reassess under ASC 842 our prior conclusions about lease identification, lease classification and initial direct costs. We made a policy election not to separate non-lease components from lease components, therefore, we account for lease and non-lease components as a single lease component. We also elected the short-term lease recognition exemption for all leases that qualify.

We determine if a contract contains a lease at inception of the arrangement based on whether we have the right to obtain substantially all of the economic benefits from the use of an identified asset and whether we have the right to direct the use of an identified asset in exchange for consideration, which relates to an asset which we do not own. Right of use (“ROU”) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets are recognized as the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is our IBR, because the interest rate implicit in most of our leases is not readily determinable. The IBR is a hypothetical rate based on our understanding of what our credit rating would be to borrow and resulting interest the we would pay to borrow an amount equal to the lease payments in a similar economic environment over the lease term on a collateralized basis. Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in our lease liability calculation. Variable lease payments may include costs such as common area maintenance, utilities, real estate taxes or other costs. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments are incurred.

Operating leases are included in operating lease ROU assets, operating lease liabilities, current and operating lease liabilities, non-current on our consolidated balance sheets. Finance leases are included in property and equipment, net, accrued and other current liabilities, and other long-term liabilities on our consolidated balance sheets. For operating leases, lease expense is recognized on a straight-line basis in operations over the lease term. For finance leases, lease expense is recognized as depreciation and interest; depreciation on a straight-line basis over the lease term and interest using the effective interest method. As of December 31, 2019 and 2020, less than 13% and 12% of our operating lease ROU assets related to leased assets were outside of the U.S., respectively.

Acquisitions

We account for acquisitions of entities or asset groups that qualify as businesses in accordance with ASC 805, “Business Combinations” (“ASC 805”). The purchase price of the acquisition is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Refer to Note 18 – Business Combinations for further information.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination and is allocated to reporting units expected to benefit from the business combination. We test goodwill for impairment at least annually, in the fourth quarter, or whenever events or changes in circumstances indicate that goodwill might be impaired. We evaluate our reporting units when changes in our operating structure occur, and if necessary, reassign goodwill using a relative fair value allocation approach. In testing for goodwill impairment, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if we conclude otherwise, we proceed to the quantitative assessment.

The quantitative assessment compares the estimated fair value of a reporting unit to its book value, including goodwill. If the fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. However, if the book value of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Refer to Note 7 – Goodwill and Intangible Assets for further information.

Intangible Assets, Net

Intangible assets are carried at cost and amortized on a straight-line basis over their estimated useful lives, which range from one to 18 years. We review definite-lived intangible assets for impairment under the long-lived asset model described in the Evaluation of Long-Lived Assets for Impairment section. Refer to Note 7 – Goodwill and Intangible Assets for further information.

Investments

Equity Securities

Accounting for our equity securities varies depending on the marketability of the security and the type of investment. We have elected to measure the majority of our investments in non-marketable equity securities at cost, with remeasurements to fair value only upon the occurrence of observable price changes in orderly transactions for the identical or similar securities of the same issuer, or in the event of any impairment. This election is reassessed each reporting period to determine whether non-marketable equity securities have a readily determinable fair value, in which case they would no longer be eligible for this election. Equity securities that we elected to apply the fair value option and equity securities with a readily determinable fair value are measured at fair value on a recurring basis with changes in fair value recognized in the consolidated statements of operations. We had no investments in equity securities whose fair value was readily determinable as of December 31, 2019 and 2020. We evaluate our non-marketable equity securities for impairment at each reporting period based on a qualitative assessment that considers various potential impairment indicators. Impairment indicators might include, but would not necessarily be limited to, a significant deterioration in the earnings performance, credit rating, asset quality, or business prospects of the investee, a significant adverse change in the regulatory, economic, or technological environment of the investee, a bona fide offer to purchase, an offer by the investee to sell, or a completed auction process for the same or similar securities for an amount less than the carrying amount of the investments in those securities. If an impairment exists, a loss is recognized in the consolidated statements of operations for the amount by which the carrying value exceeds the fair value of the investment. We include investments in equity securities within investments on the consolidated balance sheets.

Debt Securities

Accounting for our debt securities varies depending on the legal form of the security, our intended holding period for the security, and the nature of the transaction. Investments in debt securities are classified as available-for-sale and are initially recorded at fair value. Investments in marketable debt securities include commercial paper, U.S. government and agency securities and corporate bonds. Certain investments in non-marketable equity securities with redemption, interest, or other debt-like features are classified as available-for-sale debt securities. Subsequent changes in fair value of available-for-sale debt securities are recorded in other comprehensive income (loss), net of tax. We record certain of our debt securities at fair value with the changes in fair value recorded in earnings under the fair value option of accounting for financial instruments.

We consider our marketable debt securities as available for use in current operations, including those with maturity dates beyond one year, and therefore classify these securities as short-term investments on the consolidated balance sheets. Certain investments in non-marketable debt securities classified as available-for-sale debt securities are included in investments on the consolidated balance sheets.

Allowance for Credit Losses on Available-for-sale Debt Securities

We account for credit losses on available-for-sale debt securities in accordance with ASC 326, Financial Instruments - Credit Losses ("ASC 326"). We adopted ASC 326 on January 1, 2020, on a modified retrospective basis. Under ASC 326, at each reporting period, we evaluate our available-for-sale debt securities at the individual security level to determine whether there is a decline in the fair value below its amortized cost basis (an impairment). In circumstances where we intend to sell, or are more likely than not required to sell, the security before it recovers its amortized cost basis, the difference between fair value and amortized cost is recognized as a loss in the consolidated statements of operations, with a corresponding write-down of the security's amortized cost. In circumstances where neither condition exists, we then evaluate whether a decline is due to credit-related factors. The factors considered in determining whether a credit loss exists can include the extent to which fair value is less than the amortized cost basis, changes in the credit quality of the underlying loan obligors, credit ratings actions, as well as other factors. To determine the portion of a decline in fair value that is credit-related, we compare the present value of the expected cash flows of the security discounted at the security's effective interest rate to the amortized cost basis of the security. A credit-related impairment is limited to the difference between fair value and amortized cost, and recognized as an allowance for credit loss on the consolidated balance sheet with a corresponding adjustment to net income (loss). Any remaining decline in fair value that is non-credit related is recognized in other comprehensive income (loss), net of tax. Improvements in expected cash flows due to improvements in credit are recognized through reversal of the credit loss and corresponding reduction in the allowance for credit loss.

Equity Method Investments

Investments in common stock or in-substance common stock of entities that provide us with the ability to exercise significant influence, but not a controlling financial interest, over the investee are accounted for under the equity method of accounting, unless the fair value option is elected. At December 31, 2020, our investment in Lime Common Stock was our only equity method investments for which the fair value option was elected. Refer to Note 3 - Investments and Fair Value Measurement for further information regarding our 2020 Lime Investments. Our investments in Lime Common Stock, Lime 1-C Preferred Stock, Lime-1-C Preferred Stock Warrants, and the Lime Convertible Note (collectively, the “2020 Lime Investments”) are measured at fair value on a recurring basis with changes in fair value reflected in earnings. Investments accounted for under the equity method are initially recorded at cost. Subsequently, we recognize through the consolidated statements of operations and as an adjustment to the investment balance, our proportionate share of the entities’ net income or loss and to reflect the amortization of basis differences. We record our share of the results of equity method investments one quarter in arrears within earnings in equity interests as loss from equity method investment, net of tax in the consolidated statements of operations. We evaluate each of our equity method investments at the end of each reporting period to determine whether events or changes in business circumstances indicate that the carrying value of the investment may not be fully recoverable. We recognize in the consolidated statements of operations and as an adjustment to the investment balance, any required impairment loss. Evidence of a loss in value might include, but would not necessarily be limited to, absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment. This evaluation consists of several qualitative and quantitative factors including recent financial results and operating trends of the investee; implied values in recent transactions of investee securities; other publicly available information that may affect the value of our investments.

Evaluation of Long-Lived Assets for Impairment

We evaluate our held-and-used long-lived assets for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset or asset group (collectively, the “asset group”) may not be recoverable. We measure the recoverability of the asset group by comparing the carrying amount of such asset groups to the future undiscounted cash flows it expects the asset group to generate. If we consider the asset group to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset group exceeds its fair value.

Fair Value Measurements and Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with ASC 820, Fair Value Measurement (“ASC 820”), we use the fair value hierarchy, which prioritizes the inputs used to measure fair value. The hierarchy, as defined below, gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are set forth below:

Level 1 Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active or inputs other than the quoted prices that are observable either directly or indirectly for the full term of the assets or liabilities.

Level 3 Unobservable inputs in which there is little or no market data and that are significant to the fair value of the assets or liabilities.

Our primary financial instruments include cash equivalents, marketable debt securities, restricted cash and cash equivalents, receivables, investments, accounts payable, accrued liabilities, long-term debt, and embedded derivatives and warrants. The estimated fair value of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximates their carrying value due to the short-term maturities of these instruments. Refer to Note 3 - Investments and Fair Value Measurement and Note 8 - Long-Term Debt and Revolving Credit Arrangements for further information.

Variable Interest Entities

We evaluate our ownership, contractual and other interests in entities to determine if we have a variable interest in an entity. These evaluations are complex, involve judgment, and the use of estimates and assumptions based on available historical and prospective information, among other factors. If we determine that an entity for which we hold a contractual or ownership interest in is a VIE and that we are the primary beneficiary, we consolidate such entity in the consolidated financial statements. The primary beneficiary of a VIE is the party that meets both of the following criteria: (1) has the power to make decisions that most significantly affect the economic performance of the VIE; and (2) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE. Periodically, we determine whether any changes in the interest or relationship with the entity impacts the determination of whether we are still the primary beneficiary. If we are not deemed to be the primary beneficiary in a VIE, we account for the investment or other variable interests in a VIE in accordance with applicable GAAP. Refer to Note 16 - Variable Interest Entities ("VIEs") for further information.

Revenue Recognition

We recognize revenue when or as we satisfy our obligations. We derive our revenues principally from Drivers’ and Merchants’ use of our platform, on-demand lead generation, and related services, including facilitating payments from end-users. The service enables Drivers and Merchants to seek, receive and fulfill on-demand requests from end-users seeking Mobility or Delivery services (collectively the “Uber Service”). Beginning in 2020, in certain markets we also generate revenue from end-users we charge a direct fee for use of the platform and in exchange for Delivery services. Additionally, we derive revenue from customers' use of Freight, and Advanced Technologies Group (“ATG”) and Other Technology Programs.

We periodically reassess our revenue recognition policies as new offerings become material, and business models and other factors evolve.

Mobility and Delivery Agreements

We primarily enter into Master Services Agreements (“MSA”) with Drivers and Merchants to use the platform. The MSA defines the service fee we charge Drivers and Merchants for each transaction. Upon acceptance of a transaction, Drivers and Merchants agree to perform the services as requested by an end-user. The acceptance of a transaction request combined with the MSA establishes enforceable rights and obligations for each transaction. A contract exists between us and the Drivers and Merchants after the Drivers and Merchants accept a transaction request and the Drivers' and Merchants' ability to cancel the transaction lapses.

The Uber Service activities are performed to satisfy our sole performance obligation in the transaction, which is to connect Drivers and Merchants with end-users to facilitate the completion of a successful transaction.

In 2020, we began charging Mobility end-users a fee to use the platform in certain markets. In these transactions, in addition to a performance obligation to Drivers, we also have a performance obligation to end-users, which is to connect end-users to Drivers in the marketplace. We recognize revenue when a trip is complete. We present revenue on a net basis for these transactions, as we do not control the service provided by Drivers to end-users. We recognized total revenue of $323 million associated with these fees charged to end-users for the year ended December 31, 2020.

Additionally, during the first quarter of 2020, we modified our arrangements in certain markets and as a result, concluded we are responsible for delivery services to end-users in those markets. We have determined that in these transactions, Merchants and end-users are our customers and revenue from these contracts shall be recognized separately for each under ASC 606. We recognize delivery service revenue associated with our performance obligation over the contract term, which represents its performance over the period of time the delivery is occurring. We recognized revenue of $91 million and cost of revenue, exclusive of depreciation and amortization of $439 million for the year ended December 31, 2020 associated with these delivery transactions.

In all markets aside from the above two scenarios, end-users access the platform for free and we have no performance obligation to end-users. As a result, this class of end-users are not our customers.

Principal vs. Agent Considerations

Judgment is required in determining whether we are the principal or agent in transactions with Drivers, Merchants and end-users. We evaluate the presentation of revenue on a gross or net basis based on whether we control the service provided to the end-user and are the principal (i.e. “gross”), or we arrange for other parties to provide the service to the end-user and are an agent (i.e. “net”). This determination also impacts the presentation of incentives provided to Drivers and Merchants and discounts and promotions offered to end-users to the extent they are not customers.

For the majority of Mobility and Delivery transactions, our role is to provide the Uber Service to Drivers and Merchants to facilitate a successful trip or Delivery service to end-users. We concluded we do not control the good or service provided by Drivers and Merchants to end-users as (i) we do not pre-purchase or otherwise obtain control of the Drivers' and Merchants' goods or services prior to its transfer to the end-user; (ii) we do not direct Drivers and Merchants to perform the service on our behalf, and (iii) we do not integrate services provided by Drivers and Merchants with our other services and then provide them to end-users. As part of our evaluation of control, we review other specific indicators to assist in the principal versus agent conclusions. We are not primarily responsible for Mobility and Delivery services provided to end-users, nor do we have inventory risk related to these services. While we facilitate setting the price for Mobility and Delivery services, the Drivers and Merchants and end-users have the ultimate discretion in accepting the transaction price and this indicator alone does not result in us controlling the services provided to end-users.

In the vast majority of transactions with end-users, we act as an agent of the Driver or Merchant by connecting end-users seeking Mobility and Delivery services with Drivers and Merchants looking to provide these services. Drivers and Merchants are our customers and pay us a service fee for each successfully completed transaction with end-users. Accordingly, we recognize revenue on a net basis, representing the fee we expect to receive in exchange for us providing the service to Drivers and Merchants. In certain markets, we promise Delivery services to end-users for a fee and separately subcontract with Delivery People to provide delivery services. In these markets, we are the principal for the Delivery services and present Delivery revenue on a gross basis because we are primarily responsible for the services.

Mobility

We derive our Mobility revenue primarily from service fees paid by Drivers for use of the platform and related service to connect with Riders and successfully complete a trip via the Platform. We recognize revenue when a trip is complete.

Depending on the market where the trip is completed, the service fee is either a fixed percentage of the end-user fare or the difference between the amount paid by an end-user and the amount earned by Drivers. In markets where we earn the difference between the amount paid by an end-user and the amount earned by Drivers, end-users are quoted a fixed upfront price for ridesharing services while we pay Drivers based on actual time and distance for the ridesharing services provided. Therefore, we can earn a variable amount and may realize a loss on the transaction. We typically receive the service fee within a short period of time following the completion of a trip.

In addition, end-users in certain markets have the option to pay cash for trips. On such trips, cash is paid by end-users to Drivers. We generally collect our service fee from Drivers for these trips by offsetting against any other amounts due to Drivers, including Drivers incentives, or via online payment methods. As we currently have limited means to collect our service fee for cash trips and cannot control whether Drivers will generate future amounts owed to them for offset, we concluded collectability of such amounts is not probable until collected. As such, uncollected service fees for cash trips are not recognized in the consolidated financial statements until collected from Drivers.

Mobility revenue also includes Other revenue primarily from financial partnerships, service fees charged to our Uber for Business ("U4B") and Vehicle Solutions. Vehicle Solutions revenue is accounted for as an operating lease as defined under ASC 842 and we recognize revenue from these arrangements as lease payments are collected. Revenue attributable to this category was not material in all periods presented.

Delivery

We derive our Delivery revenue primarily from service fees paid by Delivery People and Merchants for use of the platform and related service to successfully complete a meal delivery service on the platform. We recognize revenue when a Delivery transaction is complete.

In the majority of transactions, the service fee paid by Merchants is a fixed percentage of the meal price. The service fee paid by Delivery People is the difference between the delivery fee amount paid by the end-user and the amount earned by the Delivery People. End-users are quoted a fixed price for the meal delivery while we pay Delivery People based on time and distance for the delivery. Therefore, we earn a variable amount on a transaction and may realize a loss on the transaction. We typically receive the service fee within a short period of time following the completion of a delivery.

Freight

We derive our Freight revenue from freight transportation services provided to Shippers. Revenue for Freight represents the gross amount of fees charged to Shippers for these services. Costs incurred with carriers for Freight transportation are recorded in cost of revenue.

Shippers contract with us to utilize our network of independent freight carriers to transport freight. We enter into contracts with Shippers that define the price for each shipment and payment terms. Our acceptance of the shipment request establishes enforceable rights and obligations for each contract. By accepting the Shipper's order, we have responsibility for transportation of the shipment from origin to destination. We enter into separate contracts with independent freight carriers and are responsible for prompt payment of freight charges to the carrier regardless of payment by the Shipper. Our sole performance obligation is the transport of Shipper freight using our network of independent freight carriers. We invoice the Shipper upon satisfaction of the performance obligation.

Judgment is required in determining whether we are the principal or agent in transactions with Shippers. For each contract entered into with a Shipper, we are responsible for identifying and directing independent freight carriers to transport the Shipper's goods. We therefore control the service before it is transferred to the Shipper. We are primarily responsible for fulfilling the contract with the Shipper, including having discretion in selecting a qualified independent freight carrier that meets the Shipper's specifications. We also have pricing discretion and negotiate separately the price(s) charged to Shippers and amounts paid to carriers. Accordingly, we are the principal in these transactions.

In consideration for our Freight services, Shippers pay us a fixed amount for each completed shipment. When the Shipper's freight reaches its intended destination, our performance obligation is complete. We recognize revenue associated with our performance obligation over the contract term, which represents its performance over the period of time a shipment is in transit. While the transit period of our contracts can vary based on origin and destination, contracts still in transit at period end are not material. Payment for our services is generally due within 30 to 45 days upon receipt of invoice.

All Other Revenue

E-Bikes and Scooters

Prior to the second quarter of 2020, All Other revenue (formerly our Other Bets segment) consisted primarily of revenue from New Mobility products, which were derived from operating leases as defined within ASC 842. New Mobility refers to offerings and products that provided users access to rides through a variety of modes, including dockless e-bikes and e-scooters ("New Mobility"). Users contracted with us via a rental agreement at the inception of each trip. We were responsible for providing access to the e-bikes and scooters over the user's desired period of use. We recorded lease payments received upon completion of each trip. After the JUMP Divestiture during the second quarter of 2020, revenue from New Mobility products, including dockless e-bikes, was no longer material. Refer to Note 19 - Divestitures for further information on the JUMP Divestiture.

ATG and Other Technology Programs Collaboration Revenue

In 2019, we entered into a three-year joint collaboration agreement with certain third parties to develop next–generation self-driving technology. Under this collaboration agreement, we receive cash consideration over the three-year term. We have applied ASC 808, Collaborative Arrangements for recognition and presentation of the consideration received as collaboration revenue. Refer to Note 19 - Divestitures for further information.

Incentives to Customers

Incentives provided to customers are recorded as a reduction of revenue if we do not receive a distinct good or service or cannot reasonably estimate the fair value of the good or service received. Incentives to customers that are not provided in exchange for a distinct good or service are evaluated as variable consideration, in the most likely amount to be earned by the customer at the time or as they are earned by customers, depending on the type of incentive. Since incentives are earned over a short period of time, there is limited uncertainty when estimating variable consideration.

Incentives earned by customers for referring new customers are paid in exchange for a distinct service and are accounted for as customer acquisition costs. We expense such referral payments as incurred in sales and marketing expenses in the consolidated statements of operations. We apply the practical expedient under ASC 340-40-25-4 and expense costs to acquire new customer contracts as incurred because the amortization period would be one year or less. The amount recorded as an expense is the lesser of the amount of the incentive paid or the established fair value of the service received. Fair value of the service is established using amounts paid to vendors for similar services. The amounts paid to customers presented as sales and marketing expenses for the years ended December 31, 2018 and 2019 were $136 million and $103 million, respectively. Amounts in 2020 were immaterial.

In some transactions, incentives and payments made to customers may exceed the revenue earned in the transaction. In these transactions, the resulting shortfall amount is recorded as a reduction of revenue.

End-User Discounts and Promotions

We offer discounts and promotions to end-users (that are not our customers) to encourage use of our platform. These are offered in various forms of discounts and promotions and include:

Targeted end-user discounts and promotions: These discounts and promotions are offered to a limited number of end-users in a market to acquire, re-engage, or generally increase end-users use of the Platform, and are akin to a coupon. An example is an offer providing a discount on a limited number of rides or meal deliveries during a limited time period. We record the cost of these discounts and promotions to end-users who are not our customers as sales and marketing expenses at the time they are redeemed by the end-user.

End-user referrals: These referrals are earned when an existing end-user (the referring end-user) refers a new end-user (the referred end-user) to the platform and the new end-user who is not our customer takes their first ride on the platform. These referrals are typically paid in the form of a credit given to the referring end-user. These referrals are offered to attract new end-users to the Platform. We record the liability for these referrals and corresponding expenses as sales and marketing expenses at the time the referral is earned by the referring end-user.

Market-wide promotions: These promotions are pricing actions in the form of discounts that reduce the end-user fare charged by Drivers and Merchants to end-users who are not our customers for all or substantially all Mobility or meal deliveries in a specific market. This also includes any discounts offered under our subscription offerings and certain discounts within the Uber Rewards programs, which enable End-users to receive a fixed fare or a discount on all eligible rides. Accordingly, we record the cost of these promotions as a reduction of revenue at the time the transaction is completed.

Refunds

We record refunds to end-users that we recover from Drivers and Merchants as a reduction of revenue. Refunds to end-users due to end-user dissatisfaction with the Platform are recorded as marketing expenses and reduce the accounts receivable amount associated with the corresponding transaction.

Other

We have elected to exclude from revenue, taxes assessed by a governmental authority that are both imposed on and are concurrent with specific revenue producing transactions, and collected from Drivers and Merchants and remitted to governmental authorities. Accordingly, such amounts are not included as a component of revenue or cost of revenue.

Practical Expedients

We have utilized the practical expedient available under ASC 606-10-50-14 and do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. We have no significant financing components in our contracts with customers.

Stock-Based Compensation

We account for stock-based compensation expense in accordance with the fair value recognition and measurement provisions of GAAP, which requires compensation cost for the grant-date fair value of stock-based awards to be recognized over the requisite service period. We account for forfeitures when they occur. The fair value of stock-based awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) at fair value, using appropriate valuation techniques.

Service-Based Awards

We record stock-based compensation expense for service-based stock options and restricted stock units ("RSU(s)") on a straight-line basis over the requisite service period, which is generally four years.

For stock options with service-based vesting conditions only and stock purchase rights provided under our employee stock purchase plan, the valuation model, typically the Black-Scholes option-pricing model, incorporates various assumptions including expected stock price volatility, expected term and risk-free interest rates. We estimate the volatility of common stock on the date of grant based on the weighted-average historical stock price volatility of our own shares or comparable publicly traded companies in our industry group. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant with a term equal to the expected term. We estimate the expected term based on the simplified method for employee stock options considered to be "plain vanilla" options, as our historical share option exercise experience does not provide a reasonable basis upon which to estimate the expected term. We estimate the expected term for non-employees based on the contractual term. The expected risk-free interest rate is based on the United States ("U.S.") Treasury yield curve in effect at the time of grant. The expected dividend yield is 0.0% as we have not paid and do not anticipate paying dividends on our common stock.

Performance-Based Awards

We have granted restricted common stock awards ("RSA(s)"), RSUs, stock appreciation rights ("SAR(s)"), stock options, and warrants that vest upon the satisfaction of both service-based and performance-based conditions. The service-based condition for these awards generally is satisfied over four years. The performance-based conditions generally are satisfied upon achieving specified performance targets, such as our financial or operating metrics, and/or the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain specific liquidation or change in control transactions, or (ii) an initial public offering ("IPO"). We record stock-based compensation expense for performance-based equity awards such as RSAs, RSUs, SARs, and stock options on an accelerated attribution method over the requisite service period, which is generally four years, and only if performance-based conditions are considered probable to be satisfied.

Prior to our IPO in May 2019, we had not recognized stock-based compensation expense for awards with performance-based conditions which include a qualifying event because the qualifying event described above had not yet occurred and was not considered probable. Upon the IPO, we recorded a cumulative one-time stock-based compensation expense of $3.6 billion, determined using the grant-date fair values. Stock-based compensation related to remaining service-based awards after the IPO is recorded over the remaining requisite service period. Refer to Note 11 - Stockholders' Equity for further information on our IPO.

For performance-based awards and RSUs, we determine the grant-date fair value to be the fair value of our common stock on the grant date.

For performance-based SARs, stock options, and warrants, we determine the grant-date fair value utilizing the valuation model as described above for service-based awards.

Market-Based Awards

We have granted RSUs and stock options that vest only upon the satisfaction of all the following conditions: service-based service conditions, performance-based conditions, and market-based conditions. The service-based condition for these awards generally is satisfied over four years. The performance-based conditions generally are satisfied upon achieving specified performance targets, such as the occurrence of a qualifying event, as described above for performance-based awards. The market-based conditions are satisfied upon our achievement of specified fully-diluted equity values, as determined based on our stock price.

For market-based awards, we determine the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected capital raise percentage. We estimate the volatility of common stock on the date of grant based on the weighted-average historical stock price volatility of comparable publicly-traded companies in its industry group. We estimate the expected term based on various exercise scenarios. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Prior to our IPO in May 2019, we estimated the expected date of a qualifying event based on third-party valuations of our common stock and estimated the expected capital raise percentage based on management's expectations at the time of measurement of the award's value.

We record stock-based compensation expense for market-based equity awards such as RSUs and stock options on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied.

We determine the requisite service period by comparing the derived service period to achieve the market-based condition and the explicit service-based period, using the longer of the two service periods as the requisite service period.

Employee Stock Purchase Plan ("ESPP")

We recognize stock-based expenses related to shares issued pursuant to our 2019 ESPP on a straight-line basis over the offering period. The ESPP provides for twelve-month offering periods, and each offering period includes two purchase periods of approximately six months. The ESPP allows eligible employees to purchase shares of our common stock at a 15 percent discount on the lower price of either (i) the offering period begin date or (ii) the purchase date. We estimate the fair value of shares to be issued under the ESPP based on a combination of options valued using the Black-Scholes option-pricing model. In 2019, we determine volatility over an expected term of six months based on our historical volatility and twelve months based on the average of our historical volatility and our peer group. In 2020, we determine volatility over an expected term of six months and twelve months based on our historical volatility. We estimate the expected term based on the contractual term.

Common Stock Fair Value

Subsequent to our IPO in May 2019, the fair value of common stock was determined on the grant date using the closing price of our common stock.

Prior to our IPO, the absence of an active market for our common stock required the Board of Directors, the members of which we believe have extensive business, finance and venture capital experience, to determine the fair value of our common stock for purposes of granting stock-based awards and for calculating stock-based compensation expense. We obtained contemporaneous third-party valuations to assist the Board of Directors in determining fair value. These contemporaneous third-party valuations used the methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

Income Taxes

We account for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our consolidated financial statements. In estimating future tax consequences, generally all expected future events other than enactments or changes in the tax law or rates are considered.

We account for uncertainty in tax positions recognized in the consolidated financial statements by recognizing a tax benefit from an uncertain tax position when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized.

Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more-likely-than-not expected to be realized based on the weighting of positive and negative evidence. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryback or carryforward periods available under the applicable tax law. We regularly review the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. Our judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute the business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, our income tax provision would increase or decrease in the period in which the assessment is changed. We elected the tax law ordering approach in assessing the realizability of net operating losses expected to offset future Global Intangible Low-taxed Income ("GILTI").

The establishment of deferred tax assets from intra-entity transfers of intangible assets requires management to make significant estimates and assumptions to determine the fair value of such intangible assets. Significant estimates in valuing intangible assets may include, but are not necessarily limited to, internal revenue and expense forecasts, the estimated life of the intangible assets, comparable transaction values, and / or discount rates. The discount rates used to discount expected future cash flows to present value are derived from a weighted-average cost of capital analysis and are adjusted to reflect the inherent risks related to the cash flow. Although we believe the assumptions and estimates utilized are reasonable and appropriate, they are based, in part, on historical experience, internal and external comparable data and are inherently uncertain. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of such assumptions, estimates or actual results.

We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for (benefit from) income taxes in the consolidated statements of operations.

Expenses

Set forth below is a brief description of the components of our expenses:

- *Cost of revenue, exclusive of depreciation and amortization,* primarily consists of certain insurance costs related to our Mobility and Delivery offerings, credit card processing fees, bank fees, data center and networking expenses, mobile device and service costs, costs incurred for certain Delivery transactions where we are primarily responsible for delivery services and pay Delivery People for services provided, costs incurred with carriers for Uber Freight transportation services, amounts related to fare chargebacks and other credit card losses.

- *Operations and support expenses* primarily consist of compensation costs, including stock-based compensation, for employees that support operations in cities, including the general managers, Driver operations, platform user support representatives and community managers. Also included is the cost of customer support, Driver background checks and the allocation of certain corporate costs.
- *Sales and marketing expenses* primarily consist of compensation costs, including stock-based compensation to sales and marketing employees, advertising costs, product marketing costs and discounts, loyalty programs, promotions, refunds, and credits provided to end-users who are not customers, and the allocation of certain corporate costs. We expense advertising and other promotional expenditures as incurred. Advertising expenses totaled $1.3 billion, $1.3 billion and $992 million for the years ended December 31, 2018, 2019 and 2020, respectively. Discounts, loyalty programs, promotions, refunds, and credits provided to end-users who are not customers totaled $1.4 billion, $2.5 billion, and $2.0 billion for the years ended December 31, 2018, 2019 and 2020, respectively.
- *Research and development expenses* primarily consist of compensation costs, including stock-based compensation, for employees in engineering, design and product development. Expenses includes ATG and Other Technology Programs development expenses, as well as expenses associated with ongoing improvements to, and maintenance of, existing products and services, and allocation of certain corporate costs.
- *General and administrative expenses* primarily consist of compensation costs, including stock-based compensation, for executive management and administrative employees, including finance and accounting, human resources, policy and communications, legal, and certain impairment charges, as well as allocation of certain corporate costs, occupancy, and general corporate insurance costs. General and administrative expenses also include certain legal settlements.
- *Depreciation and amortization expenses* primarily consist of depreciation on buildings, site improvements, computer and network equipment, software, leasehold improvements, leased vehicles, furniture and fixtures, and amortization of intangible assets.

Restructuring and Related Charges

Costs associated with management-approved restructuring activities, including reductions in headcount, exiting a market or consolidation of facilities are recognized when they are incurred and may include employee termination benefits, impairment of long-lived assets (including impairment of operating lease right-of-use assets), contract termination costs and accelerated lease cost for right-of-use assets that ceased to be used. We record a liability for employee termination benefits either when it is probable that an employee is entitled to them and the amount of the benefits can be reasonably estimated or when management has communicated the termination plan to employees and all of the following conditions have been met: management, having the authority to approve the action, commits to a plan of termination; the plan identifies the number of employees to be terminated, their job classifications and their locations, and the expected completion date; the plan establishes the terms of the benefit arrangement in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. We accrue for costs to terminate contracts other than a lease when we terminate the contract in accordance with the contract terms. Costs that will continue to be incurred for the remaining term of a contract that is not a lease, and provide no economic benefits to us are recognized at the cease-use date. Costs associated with lease contracts are accounted for under the leasing accounting guidance or under the long-lived assets accounting guidance.

Restructuring and related charges are recognized as an operating expense within the consolidated statements of operations and are classified based on our classification policy for each category of operating expense. Personnel costs are classified based on each employee's classification, lease costs (including impairments of right-of-use assets) are classified in the same expense line item where each lease's rent expense was recognized and impairment of other long-lived assets are recorded within general and administrative expenses.

Foreign Currency

The functional currency of our foreign subsidiaries is the local currency or U.S. dollar depending on the nature of the subsidiaries' activities. Monetary assets and liabilities, and transactions denominated in currencies other than the functional currency are remeasured to the functional currency at the exchange rate in effect at the end of the period and are recorded in the current period consolidated statement of operations. Gains and losses resulting from remeasurement are recorded in foreign exchange gains (losses), net within other income (expense), net in the consolidated statement of operations. Subsidiary assets and liabilities with non-U.S. dollar functional currencies are translated at the month-end rate, retained earnings and other equity items are translated at historical rates, and revenues and expenses are translated at average exchange rates during the year. Cumulative translation adjustments are recorded within accumulated other comprehensive income (loss), a separate component of total equity (deficit).

Net Income (Loss) Per Share Attributable to Common Stockholders

We compute net income (loss) per share using the two-class method required for participating securities. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Our restricted common stock, and common stock issued upon early exercise of stock options are participating securities. We consider restricted common stock and any shares issued upon early exercise of stock options, subject to repurchase, to be participating securities because holders of such shares have non-forfeitable dividend rights in the event a cash dividend is declared on common stock.

Prior to conversion to common stock upon our IPO, the holders of the redeemable convertible preferred stock would have been entitled to dividends in preference to common shareholders, at specified rates, if declared. Then any remaining earnings would be distributed to the holders of common stock, restricted common stock, common stock issued upon early exercise of stock options, and the holders of the redeemable convertible preferred stock on a pro-rata basis assuming conversion of all redeemable convertible preferred stock into common stock. These participating securities did not contractually require the holders of such shares to participate in our losses.

Insurance Reserves

We use a combination of third-party insurance and self-insurance mechanisms, including a wholly-owned captive insurance subsidiary, to provide for the potential liabilities for certain risks, including auto liability, uninsured and underinsured motorist, auto physical damage, general liability, and workers' compensation. The insurance reserves is the liability for unpaid losses and loss adjustment expenses, which represents the estimate of the ultimate unpaid obligation for risks retained by us and includes an amount for case reserves related to reported claims and an amount for losses incurred but not reported as of the balance sheet date. The estimate of the ultimate unpaid obligation utilizes generally accepted actuarial methods applied to historical claim and loss experience. In addition, we use assumptions based on actuarial judgment related to claim and loss development patterns and expected loss costs, which consider frequency trends, severity trends, and relevant industry data. These reserves are continually reviewed and adjusted as experience develops and new information becomes known. Adjustments, if any, relating to accidents that occurred in prior years are reflected in the current year results of operations. Reserve amounts estimated to be settled within one year are recorded in short-term insurance reserves, with longer term settlements recorded in long-term insurance reserves on the consolidated balance sheets.

While management believes that the insurance reserve amount is adequate, the ultimate liability may be in excess of, or less than, the amount provided. All estimates of ultimate losses and allocated loss adjustment expenses, and of resulting reserves, are subject to inherent variability caused by the nature of the insurance claim settlement process. Such variability is increased for us due to limited historical experience and the nature of the coverage provided. Actual results depend upon the outcome of future contingent events and can be affected by many factors, such as claims settlement processes and changes in the economic, legal, and social environments. As a result, the net amounts that will ultimately be paid to settle the liability and when these amounts will be paid may vary from the estimate provided on the consolidated balance sheets.

Loss Contingencies

We are involved in legal proceedings, claims, and regulatory, indirect tax examinations or government inquiries and investigations that may arise in the ordinary course of business. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages. We record a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine that a loss is reasonably possible and the loss or range of loss can be estimated, we disclose the possible loss in the consolidated financial statements.

We review the developments in contingencies that could affect the amount of the provisions that have been previously recorded, and the matters and related reasonably possible losses disclosed. We make adjustments to provisions and changes to disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount of loss.

The outcome of litigation, indirect tax examinations and investigations are inherently uncertain. Therefore, if one or more of these matters were resolved against us for amounts in excess of management's expectations, our results of operations, financial condition, or cash flows, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

We recognize estimated losses from contingencies that relate to proceedings in which Drivers are the plaintiffs, or proceedings and regulatory penalties against Drivers for which we elect to either pay on behalf of or reimburse Drivers, as a reduction of revenue in the consolidated statements of operations. All other estimated losses from contingencies are recognized in general and administrative expenses.

Legal fees and other costs associated with such actions are expensed as incurred.

Pending Transaction

Joint Venture Agreement with SK Telecom

In October 2020, we entered into a joint venture agreement with SK Telecom Co., LTD. ("SK Telecom"). Pursuant to this agreement, we and T map Mobility Co., Ltd. ("Mobility Company"), a spin-off of SK Telecom's mobility business, will form a joint venture (the "JV Business") in South Korea, focused on the business of e-hailing of passenger transportation (including taxis and limousines). Uber has agreed to invest an aggregate of approximately $100 million in the JV Business. At the date of the close of the transaction, we will own a majority stake in the JV Business. Subject to certain conditions, we and Mobility Company will have certain fair value put and call rights with respect to the non-controlling interest in the JV Business held by the Mobility Company. The transaction is subject to customary closing conditions and is expected to close in the first half of 2021.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" to require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The standard also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. ASC 326 was subsequently amended by ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments." We adopted the standard and related amendments effective January 1, 2020 on a modified retrospective basis. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement," which modifies the disclosure requirements in ASC 820, "Fair Value Measurement" ("ASC 820"). We adopted the new standard effective January 1, 2020 on a prospective basis. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract," which aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use-software. We adopted the new standard effective January 1, 2020 on a prospective basis. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, "Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities," which amends the guidance for determining whether a decision-making fee is a variable interest and requires organizations to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety. We adopted the new standard effective January 1, 2020 on a retrospective basis. The adoption of the new standard did not have a material impact on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): "Simplifying the Accounting for Income Taxes," which removes certain exceptions for performing intraperiod allocation, recognizing deferred taxes for investments, and calculating income taxes in interim periods. The guidance reduces complexity in certain areas, including franchise taxes that are partially based on income and accounting for tax law changes in interim periods. We early adopted the new standard effective January 1, 2020 on a prospective basis. The adoption of the new standard did not have a material impact on our consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In January 2020, the FASB issued ASU 2020-01, "Investments-Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815," which clarifies the interaction of the accounting for equity investments under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. We are currently evaluating the impact of this accounting standard update on our consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting," which provides optional expedients and exceptions to contract modifications and hedging relationships that reference LIBOR or another reference rate expected to be discontinued. The standard is effective upon issuance through December 31, 2022 and may be applied at the beginning of the interim period that includes March 12, 2020 or any date thereafter. We are currently evaluating the impact of this accounting standard update on our consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity," which simplifies the accounting for certain financial instruments with characteristics of liability and equity, including convertible instruments and contracts on an entity's own equity. The standard reduces the number of models used to account for convertible instruments, removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, and requires the if-converted method for calculation of diluted earnings per share for all convertible instruments. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. We have elected to early adopt the standard as of January 1, 2021 on a modified retrospective basis and the resulting impact will be to reclassify the equity component of our 2025 Convertible Notes from additional paid-in capital to long-term debt on our consolidated balance sheet and the reduction of interest expense on our 2025 Convertible Notes to its 0 percent coupon rate.

Note 2 - Revenue

The following tables present our revenues disaggregated by offering and geographical region. Revenue by geographical region is based on where the transaction occurred. This level of disaggregation takes into consideration how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Revenue is presented in the following tables for the years ended December 31, 2018, 2019 and 2020, respectively (in millions):

	Year Ended December 31,		
	2018 (1)	2019 (1)	2020
Mobility revenue (2)	9,288	10,707	6,089
Delivery revenue	772	1,401	3,904
Freight revenue	356	731	1,011
ATG and Other Technology Programs collaboration revenue (3)	—	42	100
All Other revenue	17	119	35
Total revenue	$ 10,433	$ 13,000	$ 11,139

(1) Our previously reported revenue in 2018 and 2019 has been retrospectively adjusted to reflect the implementation of the new accounting policy. Refer to Note 1 - Description of Business and Summary of Significant Accounting Policies for further information on the change in accounting policy.

(2) Mobility revenue includes revenue recognized as an operating lease as defined under ASC 840 for 2018 and ASC 842 for 2019 and 2020. Total revenue recognized under ASC 840 and ASC 842 for the years ended December 31, 2018, 2019 and 2020 was $151 million, $88 million, and $21 million, respectively.

(3) Refer to Note 17 - Non-Controlling Interests for further information on collaboration revenue.

	Year Ended December 31,		
	2018 (1)	2019 (1)	2020
United States and Canada	$ 6,226	$ 8,465	$ 6,611
Latin America ("LatAm")	1,963	1,862	1,295
Europe, Middle East and Africa ("EMEA")	1,495	1,852	2,086
Asia Pacific ("APAC")	749	821	1,147
Total revenue	$ 10,433	$ 13,000	$ 11,139

(1) Our previously reported revenue in 2018 and 2019 has been retrospectively adjusted to reflect the implementation of the new accounting policy. Refer to Note 1 - Description of Business and Summary of Significant Accounting Policies for further information on the change in accounting policy.

Revenue from Contracts with Customers

Mobility Revenue

We derive revenue primarily from fees paid by Mobility Drivers for the use of our platform(s) and related service to facilitate and complete Mobility services and, in certain markets, revenue from fees paid by end-users for connection services obtained via the platform. Mobility revenue also includes immaterial revenue streams such as our U4B, financial partnerships products and Vehicle Solutions. Vehicle Solutions revenue is accounted for as an operating lease as defined under ASC 842.

Delivery Revenue

We derive revenue for Delivery from Merchants' and Delivery People's use of the Delivery platform and related service to facilitate and complete Delivery transactions. Additionally, in certain markets where we are responsible for delivery services, delivery fees charged to end-users are also included in revenue, while payments to Delivery People in exchange for delivery services are recognized in cost of revenue.

Freight Revenue

Freight revenue consists of revenue from freight transportation services provided to shippers.

All Other Revenue

Prior to the second quarter of 2020, All Other revenue (formerly our Other Bets segment) consisted primarily of revenue from New Mobility products, including dockless e-bikes, and Platform Incubator group offerings, which are responsible for innovating new services and use cases on our platform to drive long-term growth and cross-platform customer engagement, and other immaterial revenue streams. New Mobility revenue is accounted for as an operating lease as defined under ASC 842. After the JUMP Divestiture during the second quarter of 2020, revenue from New Mobility products, including dockless e-bikes, was no longer material. Refer to Note 19 - Divestitures for further information regarding the JUMP Divestiture.

Remaining Performance Obligations

During the second quarter of 2020, we modified a revenue contract originally entered into in 2018. As a result of the modification, the consideration allocated to unfulfilled performance obligations is no longer material. Refer to Note 19 - Divestitures for further information regarding the JUMP Divestiture.

Contract Balances

Our contract assets for performance obligations satisfied prior to payment or contract liabilities for consideration collected prior to satisfying the performance obligations are not material in 2019 or 2020.

Note 3 - Investments and Fair Value Measurement

Investments

Our investments on the consolidated balance sheets consisted of the following as of December 31, 2019 and 2020 (in millions):

	As of December 31,	
	2019	2020
Classified as short-term investments:		
Marketable debt securities [(1)]*:*		
Commercial paper	$ 148	$ 457
U.S. government and agency securities	93	429
Corporate bonds	199	294
Short-term investments	$ 440	$ 1,180
Classified as investments:		
Non-marketable equity securities:		
Didi [(2)]	$ 7,953	$ 6,299
Other [(3)]	204	329
Non-marketable debt securities:		
Grab [(4)]	2,336	2,341
Other [(3)]	34	—
Note receivable from a related party [(3), (5)]	—	83
Investments	$ 10,527	$ 9,052

(1) Excluding marketable debt securities classified as cash equivalents and restricted cash equivalents.

(2) In 2016, we completed the sale of our interest in Uber China to Didi and received approximately 52 million shares of Didi's Series B-1 preferred stock as consideration valued at approximately $6.0 billion at time of transaction.

(3) These balances include certain investments recorded at fair value with changes in fair value recorded in earnings due to the election of the fair value option of accounting for financial instruments.

(4) Recorded at fair value with changes in fair value recorded in other comprehensive income (loss), net of tax, unless subject to credit loss.

(5) Consists of the Lime Convertible Note. Neutron Holdings, Inc. ("Lime") is considered a related party as a result of our investment in Lime Common Stock. For further information, see the section titled "2020 Lime Investments" below and Note 19 - Divestitures.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents our financial assets and liabilities measured at fair value on a recurring basis based on the three-tier fair value hierarchy (in millions):

	As of December 31, 2019				As of December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Money market funds	$ 5,104	$ —	$ —	$ 5,104	$ 2,386	$ —	$ —	$ 2,386
Commercial paper	—	233	—	233	—	611	—	611
U.S. government and agency securities	—	153	—	153	—	542	—	542
Corporate bonds	—	199	—	199	—	323	—	323
Non-marketable debt securities	—	—	2,370	2,370	—	—	2,341	2,341
Non-marketable equity securities	—	—	98	98	—	—	52	52
Note receivable from a related party	—	—	—	—	—	—	83	83
Total financial assets	$ 5,104	$ 585	$ 2,468	$ 8,157	$ 2,386	$ 1,476	$ 2,476	$ 6,338

We did not make any transfers between the levels of the fair value hierarchy during the years ended December 31, 2019 and 2020.

The following table summarizes the amortized cost and fair value of our debt securities with a stated contractual maturity or redemption date (in millions):

	As of December 31, 2020	
	Amortized Cost	Fair Value
Within one year	$ 1,442	$ 1,443
One year through five years	2,314	2,374
Total	$ 3,756	$ 3,817

The following table summarizes the amortized cost, unrealized gains and losses, fair value and, beginning in 2020, allowance for credit loss, of our debt securities at fair value on a recurring basis(in millions):

	As of December 31, 2019				As of December 31, 2020				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Allowance for Credit Loss	Fair Value
Commercial paper	233	—	—	233	611	—	—	—	611
U.S. government and agency securities	153	—	—	153	542	—	—	—	542
Corporate bonds	199	—	—	199	322	1	—	—	323
Non-marketable debt securities	2,309	61	—	2,370	2,281	60	—	—	2,341
Total	$ 2,894	$ 61	$ —	$ 2,955	$ 3,756	$ 61	$ —	$ —	$ 3,817

The following table presents information about the allowance for credit losses on debt securities (in millions):

	Non-marketable Debt Securities
Balance as of January 1, 2020	$ —
Impact due to adoption of ASU 2016-13	—
Credit losses on securities for which credit losses were not previously recorded	(173)
Decrease to allowance for credit loss previously recorded	173
Balance as of December 31, 2020	$ —

We measure our cash equivalents and certain investments at fair value. Level 1 instrument valuations are based on quoted market prices of the identical underlying security. Level 2 instrument valuations are obtained from readily available pricing sources for comparable instruments, identical instruments in less active markets, or models using market observable inputs. Level 3 instrument valuations are valued based on unobservable inputs and other estimation techniques due to the absence of quoted market prices, inherent lack of liquidity and the long-term nature of such financial instruments.

Our Level 3 non-marketable debt securities as of December 31, 2019 and 2020 primarily consist of redeemable preferred stock investments in privately held companies without readily determinable fair values.

Depending on the investee's financing activity in a reporting period, management's estimate of fair value may be primarily derived from the investee's financing transactions, such as the issuance of preferred stock to new investors. The price in these transactions generally provides the best indication of the enterprise value of the investee. Additionally, based on the timing, volume, and other characteristics of the transaction, we may supplement this information by using other valuation techniques, including the guideline public company approach. The guideline public company approach relies on publicly available market data of comparable companies and uses comparative valuation multiples of the investee's revenue (actual and forecasted), and therefore, unobservable input used in this valuation technique primarily consists of short-term revenue projections.

Once the fair value of the investee is estimated, an option-pricing model ("OPM") is employed to allocate value to various classes of securities of the investee, including the class owned by us. The model involves making assumptions around the investees' expected time to liquidity and volatility.

An increase or decrease in any of the unobservable inputs in isolation, such as the security price in a significant financing transaction of the investee, could result in a material increase or decrease in our estimate of fair value. Other unobservable inputs, including short-term revenue projections, time to liquidity, and volatility are less sensitive to the valuation in the respective reporting periods, as a result of the primary weighting on the investee's financing transactions. In the future, depending on the weight of evidence and valuation approaches used, these or other inputs may have a more significant impact on our estimate of fair value.

We determine realized gains or losses on the sale of equity and debt securities on a specific identification method.

Grab Investment

The following table summarizes information about the significant unobservable inputs used in the fair value measurement for our Grab investment as of December 31, 2019 and 2020:

Fair value method	Relative weighting	Key unobservable input	
Financing transactions	100%	Transaction price per share	$6.16
		Volatility	53% - 54%
		Estimated time to liquidity	1.75 - 2.5 years

During the first quarter of 2020, we determined the fair value of our available-for-sale debt securities in Grab had declined below their amortized cost based on an analysis of the observed valuation declines of Grab's publicly-traded competitive peer group and representative stock market indices. These observed inputs were considered indicative of changes in the fair value of the Grab securities. Using the analysis, we computed a downward market adjustment of 10% that was applied to the valuation derived from Grab's latest financing transaction which occurred earlier in the first quarter of 2020 and prior to the announcement of COVID-19 as a global pandemic, impacting global demand for Mobility services. As a result, the carrying value of the investment in Grab was reduced by $230 million; $57 million reduced the previously recognized unrealized gain in other comprehensive income (loss), net of tax, and the remaining $173 million, representing the difference between the fair value and amortized cost of the securities, was recognized as an allowance for credit loss in the consolidated balance sheet and a corresponding credit-related impairment charge recorded to other income (expense), net in the consolidated statement of operations. Due to the significant uncertainty about Grab's ability to repay the redemption amount of the securities on the redemption date, the amount expected to be collected was considered to be less than the fair value of the securities. Therefore, during the first quarter of 2020, the entire decline in fair value below amortized cost was considered to reflect a credit-related impairment charge.

The fair value of our Grab investment recovered during the third quarter of 2020 as determined by referencing an equity financing transaction closed by the investee during that quarter. As a result, we recognized a reversal of the previously recorded allowance for credit loss in the consolidated balance sheet and a corresponding reversal of the credit-related impairment charge to other income (expense), net in the consolidated statement of operations. The fair value of our investment has not materially changed as of December 31, 2020.

2020 Lime Investments

Our ownership in Lime is comprised of Lime Common Stock, Lime 1-C Preferred Stock, Lime 1-C Preferred Stock Warrants, and the Lime Convertible Note (collectively, the "2020 Lime Investments"). The 2020 Lime Investments were received as part of the transaction by which we divested of our JUMP business. Refer to Note 19 - Divestitures for further information regarding the JUMP Divestiture and the 2020 Lime Investments. Our investment in Lime Common Stock and representation on Lime's board of directors gives us the ability to exercise significant influence over Lime. We elected to apply the fair value option to our Lime Common Stock investment and therefore we are applying fair value accounting to all of the 2020 Lime Investments which provides for consistency of accounting treatment. The 2020 Lime Investments are measured at fair value on a recurring basis with changes in fair value reflected in earnings. The fair value of the 2020 Lime Investments as of December 31, 2020 of $134 million was determined by referencing a transaction in a convertible note that is junior to the Lime Convertible Note and used as an input to an OPM. Other key inputs to the OPM were discount rates of 22% and 28%, volatility of 67% and time to liquidity of 2.0 years.

Financial Assets Measured at Fair Value Using Level 3 Inputs

The following table presents a reconciliation of our financial assets measured and recorded at fair value on a recurring basis as of as of December 31, 2019 and 2020, using significant unobservable inputs (Level 3) (in millions):

	Non-marketable Debt Securities	Non-marketable Equity Securities	Note Receivables
Balance as of December 31, 2018	$ 2,370	$ —	$ —
Total net gains (losses)			
Included in earnings	(8)	11	—
Included in other comprehensive income (loss)	4	—	—
Purchases	4	56	—
Transfers	—	31	—
Balance as of December 31, 2019	$ 2,370	$ 98	$ —
Total net gains (losses)			
Included in earnings	(28)	(89)	(8)
Included in other comprehensive income (loss)	2	—	—
Purchases	3	65	91
Sales	(6)	(22)	—
Balance as of December 31, 2020	$ 2,341	$ 52	$ 83

Assets Measured at Fair Value on a Non-Recurring Basis

Non-Financial Assets

Our non-financial assets, such as goodwill, intangible assets and property and equipment are adjusted to fair value when an impairment charge is recognized. Such fair value measurements are based predominately on Level 3 inputs.

Non-Marketable Equity Securities

Our non-marketable equity securities are investments in privately held companies without readily determinable fair values and primarily relate to our investments in Didi. The carrying value of our non-marketable equity securities are adjusted based on price changes from observable transactions of identical or similar securities of the same issuer (referred to as the measurement alternative) or for impairment. Any changes in carrying value are recorded within other income (expense), net in the consolidated statements of operations. Non-marketable equity securities are classified within Level 3 in the fair value hierarchy because we estimate the fair value of these securities based on valuation methods, including the common stock equivalent ("CSE") and OPM methods, using the transaction price of similar securities issued by the investee adjusted for contractual rights and obligations of the securities we hold.

The following is a summary of unrealized gains and losses from remeasurement (referred to as upward or downward adjustments) recorded in other income (expense), net in the consolidated statements of operations, and included as adjustments to the carrying value of non-marketable equity securities held during the years ended December 31, 2018, 2019 and 2020 based on the observable price in an orderly transaction for the same or similar security of the same issuers (in millions):

	Year Ended December 31,		
	2018	2019	2020
Upward adjustments	$ 1,984	$ —	$ —
Downward adjustments (including impairment)	—	—	(1,690)
Total unrealized gain (loss) for non-marketable equity securities	$ 1,984	$ —	$ (1,690)

We evaluate our non-marketable equity securities for impairment at each reporting period based on a qualitative assessment that considers various potential impairment indicators. This evaluation consists of several factors including, but not limited to, an assessment of a significant adverse change in the economic environment, significant adverse changes in the general market condition of the geographies and industries in which our investees operate, and other publicly available information that affect the value of our non-marketable equity securities. As a result of the deterioration in economic and market conditions arising from COVID-19, we determined an impairment indicator existed as of March 31, 2020 and the fair value of certain investments, primarily our investment in Didi, was less than their carrying value.

To determine the fair value of our investment in Didi as of March 31, 2020, we utilized a hybrid approach, incorporating a CSE method along with an OPM, weighted at 80% and 20%, respectively. The CSE method assumes an if-converted scenario, where the OPM approach allocates equity value to individual securities within the investees' capital structure based on contractual rights and preferences. We computed a range of market adjustments based on observed market valuation declines of Didi's representative stock market indices and publicly-traded competitive peer group since the latest transaction in similar securities occurred in the prior year and prior to the announcement of COVID-19 as a global pandemic, impacting global demand for ridesharing services. These inputs are considered indicative of changes in the fair value of Didi equity. Market adjustments within the range were applied to the Didi equity valuation derived from the latest financing transaction in similar securities which were then used in the CSE and OPM approaches to obtain the fair value of the Didi securities owned by us. A lower adjustment within the range was applied to the enterprise value used in the CSE allocation compared to a higher downward adjustment for purposes of allocating value in the OPM approach. The value adjustment differential was attributable to several factors including possible exit scenarios, as an IPO event would result in higher valuation (due to access to public markets and reduction in cost of capital), reduces valuation uncertainty, and generally assumes market and macro-economic conditions that are comparatively more favorable than an otherwise prolonged stay-private scenario. As a result of the valuation performed, we recorded an impairment charge of $1.7 billion in other income (expense), net in our consolidated statement of operations during the first quarter of 2020. There was no remeasurement event for our investment in Didi that occurred during the remainder of 2020.

The following table summarizes information about the significant unobservable inputs used in the valuation for our investment in Didi as of March 31, 2020:

Fair value method	Key unobservable input	
CSE	Market adjustment	(20)%
OPM	Volatility	39%
	Estimated time to liquidity	2.0 years
	Market adjustment	(40)%

We did not record any realized gains or losses for our non-marketable equity securities measured at fair value on a non-recurring basis during the years ended December 31, 2018, 2019 and 2020.

The following table summarizes the total carrying value of our non-marketable equity securities measured at fair value on a non-recurring basis held as of December 31, 2019 and 2020 including cumulative unrealized upward and downward adjustments made to the initial cost basis of the securities (in millions):

	As of December 31,	
	2019	2020
Initial cost basis	$ 6,075	$ 6,282
Upward adjustments	1,984	1,984
Downward adjustments (including impairment)	—	(1,690)
Total carrying value at the end of the period	$ 8,059	$ 6,576

Note 4 - Equity Method Investments

The carrying value of our equity method investments as of December 31, 2019 and 2020 were as follows (in millions):

	As of December 31,	
	2019	2020
MLU B.V. [(1)]	$ 1,224	$ 1,001
Mission Bay 3 & 4 [(2)]	140	41
Other	—	37
Equity method investments	$ 1,364	$ 1,079

[(1)] Refer to Note 19 - Divestitures for further information.

[(2)] Refer to Note 16 - Variable Interest Entities ("VIEs") for further information.

MLU B.V. and Uber Russia/CIS Operations

During 2018, we closed a transaction that contributed the net assets of our Uber Russia/CIS operations into a newly formed private limited liability company ("MLU B.V." or "Yandex.Taxi joint venture"), with Yandex and us holding ownership interests in

MLU B.V. In exchange for consideration contributed, we received a seat on MLU B.V.'s board and an initial 38% equity ownership interest consisting of common stock in MLU B.V. Certain contingent equity issuances of MLU B.V. may dilute our equity ownership interest to approximately 33%. The investment was determined to be an equity method investment due to our ability to exercise significant influence over MLU B.V. The initial fair value of our equity method investment in MLU B.V. was estimated using discounted cash flows of MLU B.V. The equity ownership interest in MLU B.V. was 38% and 35% as of December 31, 2019 and 2020, respectively.

During 2020, Yandex contributed its Yandex.Carsharing business ("Drive") into MLU B.V. in exchange for an additional equity interest. The contribution of Drive into MLU B.V. resulted in the dilution of our ownership in MLU B.V. from 38% to 35%. The gain recognized on the dilution of our interest was not material to our consolidated results of operations during 2020. As part of this transaction, MLU B.V. contributed the assets and liabilities of its autonomous driving unit into a new legal entity, Yandex Self Driving Group B.V. ("SDG"), in which Yandex contributed additional capital. The reduction of our ownership interest to 20% in SDG, initially valued at $42 million, did not result in a material dilution gain.

Included in the carrying value of MLU B.V. is the basis difference, net of amortization, between the original cost of the investment and our proportionate share of the net assets of MLU B.V. The carrying value of the equity method investment is primarily adjusted for our share in the income or losses of MLU B.V. and amortization of basis differences. Equity method goodwill and intangible assets, net of accumulated amortization are also adjusted for currency translation adjustments representing fluctuations between the functional currency of the investee, the Ruble and the U.S. Dollar.

The table below provides the composition of the basis difference as of December 31, 2020 (in millions):

	As of December 31, 2020
Equity method goodwill	$ 806
Intangible assets, net of accumulated amortization	87
Deferred tax liabilities	(19)
Cumulative currency translation adjustments	(216)
Basis difference	$ 658

We amortize the basis difference related to the intangible assets over the estimated useful lives of the assets that gave rise to the difference using the straight-line method. The weighted-average life of the intangible assets is approximately 4.8 years and 4.0 years as of December 31, 2019 and 2020, respectively. Equity method goodwill is not amortized. The investment balance is reviewed for impairment whenever factors indicate that the carrying value of the equity method investment may not be recoverable. As of December 31, 2019 and 2020, we determined that there was no impairment of our investment in MLU B.V. The future effect of the COVID-19 pandemic and related government actions as well as other factors will continue to be monitored.

Mission Bay 3 & 4

The Mission Bay 3 & 4 JV refers to Event Center Office Partners, LLC ("ECOP"), a joint venture entity established in 2018, by Uber and two companies ("LLC Partners") to manage the construction and operation of two office buildings owned by two ECOP wholly-owned subsidiaries. We contributed $136 million cash in exchange for a 45% interest in ECOP. The two LLC Partners own 45% and 10%, respectively. The equity method investment for Mission Bay 3 & 4 was $138 million and $41 million as of December 31, 2019 and 2020, respectively. The equity ownership interest in ECOP was 45% as of December 31, 2019 and 2020.

In March 2020, the two ECOP wholly-owned subsidiaries took out new loans. Upon closing of the new financing, the proceeds were used to first pay off the existing construction loan, then to cover the required operation reserve as well as various financing costs, and last, the remaining proceeds were distributed back to Uber and the LLC Partners based on their ownership percentage. As a result, Uber received $91 million from the ECOP as a return of capital investment, and reduced the investment carrying value by the same amount.

We have significant influence over ECOP and we account for our investment in ECOP under the equity method. At each reporting period and a quarter in arrears, we adjust the carrying value of our investment to reflect our proportionate share of ECOP's income or loss, and any impairments, with a corresponding credit or debit, respectively, to income or loss from equity method investment, net of tax in the consolidated statements of operations. In 2018, no equity earnings were recognized since the sole activity of the ECOP consisted of construction of the assets and costs incurred were capitalized. During 2019, the construction was completed and leasing activities commenced, and, in 2019 and 2020 immaterial amounts of equity earnings were recognized. During 2020, we incurred an immaterial amount of lease payments with ECOP, which is a related party. As of December 31, 2019 and 2020, we determined that there was no impairment of our investment in ECOP.

Note 5 - Property and Equipment, Net

The components of property and equipment, net as of December 31, 2019 and 2020 were as follows (in millions):

	As of December 31,	
	2019	2020
Land	$ 76	$ 66
Building and site improvements	40	711
Leasehold improvements	382	435
Computer equipment	927	560
Leased computer equipment	539	596
Leased vehicles	24	6
Internal-use software	127	203
Furniture and fixtures	49	83
Dockless e-bikes	78	—
Construction in progress	863	170
Total	3,105	2,830
Less: Accumulated depreciation and amortization	(1,374)	(1,016)
Property and equipment, net	$ 1,731	$ 1,814

We capitalized $76 million and $76 million in internal-use software costs during the years ended December 31, 2019 and 2020, respectively, which is included in property and equipment, net on the consolidated balance sheets. Amortization of capitalized software development costs was $12 million, $22 million, and $55 million for the years ended December 31, 2018, 2019 and 2020, respectively.

Amounts in construction in progress represent buildings, leasehold improvements, assets under construction, and other assets not placed in service.

Depreciation expense relating to property and equipment was $399 million, $433 million, and $364 million for the years ended December 31, 2018, 2019 and 2020, respectively. Included in these amounts were depreciation expense for leased computer equipment in the amount of $75 million, $146 million, and $198 million for the years ended December 31, 2018, 2019 and 2020, respectively. Accumulated depreciation and amortization included $247 million and $303 million of leased computer equipment depreciation as of December 31, 2019 and 2020, respectively.

Note 6 - Leases

Our leases primarily include corporate offices, data centers, and servers. The lease term of operating and finance leases vary from less than a year to 76 years. We have leases that include one or more options to extend the lease term for up to 14 years as well as options to terminate the lease within one year. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise such options. Our lease agreements generally do not contain any residual value guarantees or restrictive covenants.

The components of our lease expense were as follows (in millions):

	Year Ended December 31,	
	2019	2020
Lease cost		
Finance lease cost:		
Amortization of assets	$ 150	$ 199
Interest of lease liabilities	15	16
Operating lease cost [1]	321	482
Short-term lease cost	28	17
Variable lease cost	100	109
Sublease income	(2)	(2)
Total lease cost	$ 612	$ 821

[1] We exited certain leased offices, primarily due to the City of San Francisco's extended shelter-in-place orders and our restructuring activities, resulting in accelerated lease cost of $118 million for the year ended December 31, 2020.

Supplemental cash flow information related to leases was as follows (in millions):

	Year Ended December 31,	
	2019	2020
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from financing leases	$ 12	$ 14
Operating cash flows from operating leases	275	250
Financing cash flows from financing leases	138	224
Right-of-use assets obtained in exchange for lease obligations:		
Operating lease liabilities	$ 918	$ 202
Finance lease liabilities	251	196

Supplemental balance sheet information related to leases was as follows (in millions, except lease term and discount rate):

	As of December 31,	
	2019	2020
Operating Leases		
Operating lease right-of-use assets	$ 1,594	$ 1,274
Operating lease liability, current	$ 196	$ 175
Operating lease liabilities, non-current	1,523	1,544
Total operating lease liabilities	$ 1,719	$ 1,719

	As of December 31,	
	2019	2020
Finance Leases		
Property and equipment, at cost	$ 539	$ 596
Accumulated depreciation	(247)	(303)
Property and equipment, net	$ 292	$ 293
Other current liabilities	$ 165	$ 177
Other long-term liabilities	143	120
Total finance leases liabilities	$ 308	$ 297

	As of December 31,	
	2019	2020
Weighted-average remaining lease term		
Operating leases	16 years	16 years
Finance leases	2 years	2 years
Weighted-average discount rate		
Operating leases	7.1 %	7.0 %
Finance leases	5.0 %	5.4 %

Maturities of lease liabilities were as follows (in millions):

	As of December 31, 2020	
	Operating Leases	Finance Leases
2021	223	188
2022	304	103
2023	273	20
2024	234	—
2025	187	—
Thereafter	2,078	—
Total undiscounted lease payments	3,299	311
Less: imputed interest	(1,580)	(14)
Total lease liabilities	$ 1,719	$ 297

As of December 31, 2020, we had additional operating leases and finance leases, primarily for corporate offices and servers, that have not yet commenced of $533 million and $4 million, respectively. These operating and finance leases will commence between fiscal year 2021 and fiscal year 2023 with lease terms of 3 years to 11 years.

Mission Bay 1 & 2

In 2015, we entered into a joint venture (“JV”) agreement with a real estate developer (“JV Partner”) to develop land (“the Land”) in San Francisco to construct our new headquarters (the “Headquarters”). The Headquarters will consist of two adjacent office buildings totaling approximately 423,000 rentable square feet. In connection with the JV arrangement, we had acquired a 49% interest in the JV, the principal asset of which was the Land.

In 2016, we and the JV Partner agreed to dissolve the JV and terminate our commitment to the lease of the Headquarters (together “the real estate transaction”) and we retained a 49% indirect interest in the Land (“Indirect Interest”). Under the terms of the real estate transaction, we obtained the rights and title to the partially constructed building, will complete the development of the two office buildings and retain a 100% ownership in the buildings. In connection with the real estate transaction, we also executed two 75-year land lease agreements (“Land Leases”). As of December 31, 2020, commitments under the Land Leases total $152 million until February 2032. After 2032, the annual rent amount will adjust annually based on the prevailing consumer price index.

The real estate transaction is accounted for as a financing transaction of our 49% Indirect Interest due to our continuing involvement through a purchase option on the Indirect Interest. As a financing transaction, the cash and deferred sales proceeds received from the real estate transaction are recorded as a financing obligation. As of December 31, 2020, our Indirect Interest of $65 million is included in property and equipment, net and a corresponding financing obligation of $76 million is included in other long-term liabilities. Future land lease payments of $1.7 billion is allocated 49% to the financing obligation of the Indirect Interest and 51% to the operating lease of land.

Future minimum payments related to the financing obligations as of December 31, 2020 are summarized below (in millions):

	Future Minimum Payments	
Fiscal Year Ending December 31,		
2021	$	6
2022		6
2023		6
2024		6
2025		7
Thereafter		820
Total	$	851

Note 7 – Goodwill and Intangible Assets

Goodwill

On; January 2, 2020, we completed the acquisition of substantially all of the assets of Careem Inc. (“Careem”) and certain of its subsidiaries. The acquisition was accounted for as a business combination, resulting in the recognition of $2.5 billion in goodwill in our Mobility segment and $540 million in intangible assets.

On July 6, 2020, we closed on a purchase agreement to acquire Cornershop Global LLC (“CS-Global”), and its wholly owned subsidiaries operating in Brazil, Chile, Colombia, Costa Rica, Canada, U.S., and Peru. The agreement was accounted for as a business combination, resulting in the recognition of $384 million in goodwill in our Delivery segment and $122 million in intangible assets.

On July 14, 2020, we acquired 100% of the equity of Routematch Holdings, Inc. (“Routematch”). The acquisition was accounted for as a business combination, resulting in the recognition of $91 million in goodwill in our Mobility segment and $27 million in intangible assets.

On Dec 1, 2020, we acquired 100% of the equity of Postmates Inc. (“Postmates). The acquisition was accounted for as a business combination, resulting in the recognition of $3.1 billion in goodwill in our Delivery segment and $1.0 billion in intangible assets.

Refer to Note 18 – Business Combinations for further information of our acquisitions.

The following table presents the changes in the carrying value of goodwill by segment for the years ended December 31, 2019 and 2020 (in millions):

	As Previously Reported [1]							
	Core Platform	**Other Bets**	**Mobility**	**Delivery**	**Freight**	**ATG and Other Technology Programs**	**All Other**	**Total Goodwill**
Balance as of January 1, 2019	**$ 53**	**$ 100**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 153**
Reallocation due to change in segments	(53)	(100)	25	13		15	100	—
Acquisitions			—	—	—	14	—	14
Balance as of December 31, 2019	**$ —**	**$ —**	**$ 25**	**$ 13**	**$ —**	**$ 29**	**$ 100**	**$ 167**
Acquisitions	—	—	2,574	3,533	—	—		6,107
Goodwill impairment	—	—	—	—	—	—	(100)	(100)
Reclass to Assets held for sale	—	—	—	—	—	(29)	—	(29)
Foreign currency translation adjustment	—	—	(37)	1	—	—	—	(36)
Balance as of December 31, 2020	**$ —**	**$ —**	**$ 2,562**	**$ 3,547**	**$ —**	**$ —**	**$ —**	**$ 6,109**

[1] Prior to the third quarter of 2019, we had two reportable segments, Core Platform and Other Bets. In the third quarter of 2019, we determined there are four operating and reportable segments: Mobility, Delivery, Freight, and ATG and Other Technology Programs. Refer to Note 14 - Segment Information and Geographic Information for further information.

Goodwill Impairment

During the first quarter of 2020, prior to the JUMP Divestiture in May 2020, market, macroeconomic and business conditions resulting from the COVID-19 pandemic indicated that it was more likely than not that the carrying value of our New Mobility reporting unit within our previous Other Bets segment (subsequently renamed All Other after the JUMP Divestiture), exceeded its fair value. As a result, we performed an interim goodwill impairment test by comparing the fair value of the New Mobility reporting unit to its carrying value. Fair value was determined by referencing market valuation multiples implied by companies that have comparable businesses which is a Level 3 measurement. The carrying value of our New Mobility reporting unit exceeded its fair value, and as a result, a goodwill impairment charge of $100 million was recorded in general and administrative expenses in the consolidated statement of operations after consideration of impairments of long-lived and other assets of the reporting unit. Also, during the first quarter of 2020, we recognized impairment charges to intangible assets of $23 million, property and equipment of $47 million and other current assets of $23 million in general and administrative expenses in the consolidated statement of operations in our New Mobility reporting unit.

In light of the impact of the COVID-19 pandemic on macroeconomic conditions and demand for Mobility during 2020, we also considered whether it was more likely than not the fair value of our Mobility reporting unit was below its carrying value. Based on an analysis of qualitative and quantitative factors, including market valuation multiples of public companies operating in the same business and considering the significant excess of the fair value attributable to the Mobility reporting unit over its carrying value, we determined that Mobility goodwill was not impaired as of December 31, 2020.

We performed an annual test for goodwill impairment in the fourth quarter of the fiscal years ended December 31, 2018 and 2019 and determined that goodwill was not impaired.

Intangible Assets

The components of intangible assets, net as of December 31, 2019 and 2020 were as follows (in millions except years):

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life - Years
December 31, 2019				
Developed technology [1]	$ 94	$ (35)	$ 59	3
Patents	16	(4)	12	8
Other	3	(3)	—	0
Intangible assets	$ 113	$ (42)	$ 71	

	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life - Years
December 31, 2020				
Rider and Merchant relationships	$ 1,007	$ (81)	$ 926	8
Developed technology [1]	529	(69)	460	2
Trade names and trademarks	183	(16)	167	7
Patents	15	(6)	9	8
Other	5	(3)	2	0
Intangible assets	$ 1,739	$ (175)	$ 1,564	

[1] Developed technology intangible assets include in-process research and development (“IPR&D”), which is not subject to amortization, of $31 million and $55 million as of December 31, 2019 and 2020, respectively.

Amortization expense for intangible assets subject to amortization was $15 million, $16 million, and $155 million for the years ended December 31, 2018, 2019 and 2020, respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization as of December 31, 2020 is summarized below (in millions):

	Estimated Future Amortization Expense
Year Ending December 31,	
2021	$ 447
2022	331
2023	201
2024	147
2025	76
Thereafter	307
Total	$ 1,509

Impairment of Definite-Lived Intangible and Long-Lived Assets

The following table presents the definite-lived intangible and long-lived asset impairment charges recorded in the consolidated statements of operations by asset class during the year ended December 31, 2020 (in millions):

	Year Ended December 31, 2020
Intangible assets	$ 23
Property and equipment	154
Operating lease right-of-use assets (1)	94
Total	$ 271

(1) During the year ended December 31, 2020, we exited, and made available for sublease, certain leased offices, primarily due to the City of San Francisco's extended shelter-in-place orders and our restructuring activities. These decisions resulted in operating lease right-of-use assets impairments of $52 million, $18 million, $24 million recorded in general and administrative, operations and support, research and development respectively in the consolidated statements of operations.

We did not record any impairment charges related to definite-lived intangible and held and used long-lived asset during the year ended December 31, 2019. During the year ended December 31, 2018, we recognized an impairment loss in general and administrative expenses of $197 million in the consolidated statement of operations to adjust the fair value of the assets and liabilities, primarily as a result of the passage of time and the reduction in fair value of vehicles held for sale prior to the final disposal of our leased vehicles activities in January 2019. Refer to Note 19 - Divestitures for further information.

Note 8 - Long-Term Debt and Revolving Credit Arrangements

Components of debt, including the associated effective interest rates were as follows (in millions, except for percentages):

	As of December 31,		
	2019	2020	Effective Interest Rate
2016 Senior Secured Term Loan	$ 1,113	$ 1,101	6.1 %
2018 Senior Secured Term Loan	1,478	1,463	6.2 %
2023 Senior Note	500	—	7.7 %
2025 Senior Note	—	1,000	7.7 %
2026 Senior Note	1,500	1,500	8.1 %
2027 Senior Note	1,200	1,200	7.7 %
2028 Senior Note	—	500	7.0 %
2025 Convertible Note	—	1,150	5.2 %
Total debt	5,791	7,914	
Less: unamortized discount and issuance costs	(57)	(327)	
Less: current portion of long-term debt	(27)	(27)	
Total long-term debt	$ 5,707	$ 7,560	

2016 Senior Secured Term Loan

In July 2016, we entered into a secured term loan agreement with a syndicate of lenders to issue senior secured floating-rate term loans for a total of $1.2 billion in proceeds, net of debt discount of $23 million and debt issuance costs of $13 million, with a maturity date of July 2023 (the “2016 Senior Secured Term Loan”). One quarter of 1.0% of the principal and accrued and unpaid interest are due and payable in equal quarterly amounts as set forth in the 2016 Senior Secured Term Loan agreement, with any remaining balance due and accrued and unpaid interest due at maturity.

On June 13, 2018, we entered into an amendment to the 2016 Senior Secured Term Loan agreement which increased the effective interest rate to 6.1% on the outstanding balance of the 2016 Senior Secured Term Loan as of the amendment date. The maturity date for the 2016 Senior Secured Term Loan remains July 13, 2023. The amendment qualified as a debt modification that did not result in an extinguishment except for an immaterial syndicated amount of the loan.

The 2016 Senior Secured Term Loan is guaranteed by certain of our material domestic restricted subsidiaries. The 2016 Senior Secured Term Loan agreement contains customary covenants restricting our and certain of our subsidiaries’ ability to incur debt, incur liens and undergo certain fundamental changes. We were in compliance with all covenants as of December 31, 2020. The credit agreement also contains customary events of default. The loan is secured by certain of our intellectual property and equity of certain material foreign subsidiaries. The 2016 Senior Secured Term Loan also contains restrictions on the payment of dividends.

2018 Senior Secured Term Loan

In April 2018, we entered into a secured term loan agreement with a syndicate of lenders to issue secured floating-rate term loans totaling $1.5 billion in proceeds, net of debt discount of $8 million and debt issuance costs of $15 million, with a maturity date of April 2025 (the “2018 Senior Secured Term Loan”). The 2018 Senior Secured Term Loan was issued on a pari passu basis with the existing 2016 Senior Secured Term Loan. The debt discount and debt issuance costs are amortized to interest expense at an effective interest rate of 6.2%. One quarter of 1.0% of the principal and accrued and unpaid interest is due and payable in equal quarterly amounts as set forth in the 2018 Senior Secured Term Loan agreement, with any remaining balance due and accrued and unpaid interest due at maturity. The 2018 Senior Secured Term Loan is guaranteed by certain of our material domestic restricted subsidiaries. The 2018 Senior Secured Term Loan agreement contains customary covenants restricting our and certain of our subsidiaries’ ability to incur debt, incur liens and undergo certain fundamental changes. We were in compliance with all covenants as of December 31, 2020. The credit agreement also contains customary events of default. The loan is secured by certain of our intellectual property and equity of certain material foreign subsidiaries.

The fair values of our 2016 Senior Secured Term Loan and 2018 Senior Secured Term Loan were $1.1 billion and $1.5 billion, respectively, as of December 31, 2020 and were determined based on quoted prices in markets that are not active, which is considered a Level 2 valuation input.

2025 Convertible Note

In December 2020, we issued $1.15 billion aggregate principal amount, including the exercise in full by the initial purchasers of the 2025 Convertible Notes of their option to purchase up to an additional $150 million principal amount of the 2025 Convertible Notes, of 0% convertible senior notes due in 2025 (the “2025 Convertible Notes”) in a private placement to qualified institutional buyers pursuant to Rule144A under the Securities Act. The 2025 Convertible Notes will mature on December 15, 2025, unless earlier converted, redeemed or repurchased.

Holders of the 2025 Convertible Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding September 15, 2025 only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price (as defined below) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; (iii) if we call such notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the applicable redemption date; or (iv) upon the occurrence of specified corporate events. On or after September 15, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of the foregoing circumstances.

The initial conversion rate is 12.3701 shares of common stock per $1,000 principal amount of notes, equivalent to an initial conversion price of approximately $80.84 per share of common stock. The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid special interest.

Upon conversion of the 2025 Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. We may not redeem the notes prior to December 20, 2023. We may redeem for cash all or any portion of the notes, at our option, on or after December 20, 2023 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date.

The indenture governing the 2025 Convertible Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

The proceeds from the issuance of the 2025 Convertible Notes have been allocated between the conversion feature recorded as equity and the liability for the notes themselves. The difference of $243 million between the principal amount of the 2025 Convertible Notes and the liability component (the "debt discount") is amortized to interest expense using the effective interest method over the term of the 2025 Convertible Notes. The equity component of the 2025 Convertible Notes is included in additional paid-in capital in the consolidated balance sheet and is not remeasured as long as it continues to meet the conditions for equity classification. To perform the fair value of the liability component of the 2025 Convertible Notes as of the pricing date, we used the binomial model with inputs of time to maturity, conversion ratio, our stock price, risk free rate and volatility.

The fair value of our 2025 Convertible Notes, including the conversion feature, was $1.2 billion as of December 31, 2020 and was determined based on quoted prices in markets that are not active, which is considered a Level 2 valuation input.

Senior Notes

In October 2018, we issued five-year notes with aggregate principal amount of $500 million due on November 1, 2023 (the "2023 Senior Notes") and eight-year notes with aggregate principal amount of $1.5 billion due on November 1, 2026 (the "2026 Senior Notes") in a private placement offering totaling $2.0 billion. We issued the 2023 and 2026 Senior Notes at par and paid approximately $9 million for debt issuance costs. The interest is payable semi-annually on May 1 and November 1 of each year at 7.5% per annum and 8.0% per annum, respectively, beginning on May 1, 2019, and the entire principal amount is due at the time of maturity.

In September 2019, we issued eight-year notes with aggregate principal amount of $1.2 billion due on September 15, 2027 (the "2027 Senior Notes") in a private placement to qualified institutional buyers pursuant to Rule144A under the Securities Act. We issued the 2027 Senior Notes at par and paid approximately $11 million for debt issuance costs. The interest is payable semi-annually in arrears on March 15 and September 15 of each year at 7.5% per annum, beginning on March 15, 2020, and the entire principal amount is due at the time of maturity.

In May 2020, we issued five-year notes with an aggregate principal amount of $1.0 billion due on May 15, 2025 (the "2025 Senior Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. We issued the 2025 Senior Notes at par and paid approximately $8 million for debt issuance costs. The interest is payable semi-annually in arrears on May 15 and November 15 of each year at 7.5% per annum, beginning on November 15, 2020, and the entire principal amount is due at the time of maturity.

In September 2020, we issued eight-year notes with an aggregate principal amount of $500 million due on January 15, 2028 (the "2028 Senior Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. We issued the 2028 Senior Notes at par and paid approximately $5 million for debt issuance costs. The interest is payable semi-annually in arrears on January 15 and July 15 of each year at 6.25% per annum, beginning on July 15, 2021, and the entire principal amount is due at the time of maturity. In October 2020, we used the net proceeds from this offering, along with cash on hand, to redeem the $500 million aggregate principal amount outstanding of our 2023 Senior Notes.

The 2023, 2025, 2026, 2027 and 2028 Senior Notes (collectively "Senior Notes") are guaranteed by certain of our material domestic restricted subsidiaries. The indentures governing the Senior Notes contain customary covenants restricting our and certain of our subsidiaries' ability to incur debt and incur liens, as well as certain financial covenants specified in the indentures. We were in compliance with all covenants as of December 31, 2020.

The fair values of our 2025, 2026, 2027, and 2028 Senior Notes were $1.1 billion, $1.6 billion, $1.3 billion and $543 million, respectively, as of December 31, 2020 and were determined based on quoted prices in markets that are not active, which is considered a Level 2 valuation input.

2021 and 2022 Convertible Notes

During 2015, we issued convertible notes at par for a total of $1.7 billion in proceeds, net of debt issuance costs, with an initial maturity date of January 2021 (the "2021 Convertible Notes") and convertible notes at par for a total of $949 million in proceeds, net of debt issuance costs with an initial maturity date of June 2022 (the "2022 Convertible Notes", collectively, the "2021 and 2022 Convertible Notes"). Upon close of our IPO in May 2019, the holders of 2021 and 2022 Convertible Notes elected to convert the outstanding notes into 94 million shares of common stock. Refer to Note 11 - Stockholders' Equity for further information.

The future principal payments for our long-term debt as of December 31, 2020 is summarized as follows (in millions):

	Future Minimum Payments
Year Ending December 31,	
2021	$ 27
2022	27
2023	1,093
2024	15
2025	3,552
Thereafter	3,200
Total	$ 7,914

The following table presents the amount of interest expense recognized relating to the contractual interest coupon, amortization of the debt discount and issuance costs with respect to our long term debt, and an 8.0% internal rate of return ("IRR payout") which was accruing on our 2022 Convertible Notes that converted into shares of common stock upon the close of our IPO in 2019, for the years ended December 31, 2018, 2019 and 2020 (in millions):

	Year Ended December 31,		
	2018	2019	2020
Contractual interest coupon	$ 231	$ 439	$ 449
Amortization of debt discount and issuance costs	318	82	14
8% IRR payout	61	26	—
Total interest expense from long-term debt	$ 610	$ 547	$ 463

Revolving Credit Arrangements

We have a revolving credit agreement initially entered in 2015 with certain lenders, which provides for $2.3 billion in credit maturing on June 13, 2023 ("Revolving Credit Facility"). In conjunction with our entry into the 2016 Senior Secured Term Loan, the revolving credit facility agreements were amended to include as collateral the same intellectual property of Uber and the same equity of certain material foreign subsidiaries that were pledged as collateral under the 2016 Senior Secured Term Loan. The credit facility may be guaranteed by certain of our material domestic restricted subsidiaries based on certain conditions. The credit agreement contains customary covenants restricting our and certain of our subsidiaries' ability to incur debt, incur liens, and undergo certain fundamental changes, as well as maintain a certain level of liquidity specified in the contractual agreement. The credit agreement also contains customary events of default. The Revolving Credit Facility also contains restrictions on the payment of dividends. As of December 31, 2020, there was no balance outstanding on the Revolving Credit Facility.

Letters of Credit

Our insurance subsidiary maintains agreements for letters of credit to guarantee the performance of insurance related obligations that are collateralized by cash or investments of the subsidiary. For purposes of securing obligations related to leases and other contractual obligations, we also maintain an agreement for letters of credit, which is collateralized by our Revolving Credit Facility and reduces the amount of credit available. As of December 31, 2019 and 2020, we had letters of credit outstanding of $570 million and $649 million, respectively, of which the letters of credit that reduced the available credit under the Revolving Credit Facility were $213 million and $233 million, respectively.

Note 9 – Assets and Liabilities Held for Sale

The following table summarizes the carrying values of the assets and liabilities classified as held for sale as of December 31, 2020 (in millions):

	As of December 31, 2020	
	ATG	
Assets held for sale		
Cash and cash equivalents	$	349
Prepaid expenses and other current assets		2
Investments		2
Operating lease right-of-use assets		26
Property and equipment, net		78
Intangibles		31
Goodwill		29
Total assets held for sale		517
Liabilities held for sale		
Accounts payable		8
Accrued and other current liabilities		66
Operating lease liabilities, current		6
Operating lease liabilities, non-current		20
Total liabilities held for sale		100
Net assets held for sale	$	417

Sale of ATG Business

On December 7, 2020, we announced the sale of Apparate USA LLC (“ATG Business” or “Apparate”), our subsidiary focused on the development and commercialization of autonomous vehicle technologies, to Aurora. Apparate is included within our ATG and Other Technology Programs segment. The sale of Apparate did not represent a strategic shift that would have had a major effect on our operations and financial results, and therefore does not qualify for reporting as a discontinued operation for financial statement purposes. On January 19, 2021, we completed the sale of Apparate to Aurora. Refer to Note 21 - Subsequent Events for further information.

Note 10 - Supplemental Financial Statement Information

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of December 31, 2019 and 2020 were as follows (in millions):

	As of December 31,			
	2019		2020	
Prepaid expenses	$	571	$	407
Other receivables		428		464
Other		300		344
Prepaid expenses and other current assets	$	1,299	$	1,215

Accrued and Other Current Liabilities

Accrued and other current liabilities as of December 31, 2019 and 2020 were as follows (in millions):

	As of December 31,	
	2019	2020
Accrued legal, regulatory and non-income taxes	$ 1,539	$ 1,811
Accrued Drivers and Merchants liability	369	651
Accrued professional and contractor services	352	255
Accrued compensation and employee benefits	403	325
Accrued marketing expenses	114	86
Other accrued expenses	361	445
Unsecured convertible notes in connection with Careem acquisition [1]	—	348
Commitment to issue unsecured convertible notes in connection with Careem acquisition [1]	—	303
Income and other tax liabilities	194	203
Government and airport fees payable	162	103
Short-term finance leases	165	177
Accrued interest on long-term debt	93	106
Other	298	299
Accrued and other current liabilities	$ 4,050	$ 5,112

[1] Refer to Note 18 – Business Combinations for further information regarding the Careem acquisition.

Other Long-Term Liabilities

Other long-term liabilities as of December 31, 2019 and 2020 were as follows (in millions):

	As of December 31,	
	2019	2020
Deferred tax liabilities	$ 1,027	$ 818
Commitment to issue unsecured convertible notes in connection with Careem acquisition [1]	—	120
Long-term finance leases	143	120
Income tax liabilities	70	95
Other	172	153
Other long-term liabilities	$ 1,412	$ 1,306

[1] Refer to Note 18 – Business Combinations for further information regarding the Careem acquisition.

Accumulated Other Comprehensive Income (Loss)

The changes in composition of accumulated other comprehensive income (loss), net of tax, for the years ended December 31, 2018, 2019 and 2020 were as follows (in millions):

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Securities, Net of Tax	Total
Balance as of December 31, 2017	$ (3)	$ —	$ (3)
Other comprehensive income (loss) before reclassifications	(225)	40	(185)
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	—
Other comprehensive income (loss)	(225)	40	(185)
Balance as of December 31, 2018	$ (228)	$ 40	$ (188)

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Securities, Net of Tax	Total
Balance as of December 31, 2018	$ (228)	$ 40	$ (188)
Other comprehensive income (loss) before reclassifications	(3)	4	1
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	—
Other comprehensive income (loss)	(3)	4	1
Balance as of December 31, 2019	$ (231)	$ 44	$ (187)

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Available-for-Sale Securities, Net of Tax	Total
Balance as of December 31, 2019	$ (231)	$ 44	$ (187)
Other comprehensive income (loss) before reclassifications	(350)	2	(348)
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	—
Other comprehensive income (loss)	(350)	2	(348)
Balance as of December 31, 2020	$ (581)	$ 46	$ (535)

Other Income (Expense), Net

The components of other income (expense), net, for the years ended December 31, 2018, 2019 and 2020 were as follows (in millions):

	Year Ended December 31,		
	2018	2019	2020
Interest income	$ 104	$ 234	$ 55
Foreign currency exchange gains (losses), net	(45)	(40)	(128)
Gains on business divestitures, net [(1)]	3,214	—	204
Unrealized gain (loss) on debt and equity securities, net [(2)]	1,996	2	(125)
Impairment of debt and equity securities [(3)]	—	—	(1,690)
Change in fair value of embedded derivatives	(501)	58	—
Gain on extinguishment of convertible notes and settlement of derivatives [(4)]	—	444	—
Other, net	225	24	59
Other income (expense), net	$ 4,993	$ 722	$ (1,625)

[(1)] During the year ended December 31, 2018, gains on business divestitures, net primarily represented a $2.3 billion gain on the sale of our Southeast Asia operations to Grab and a $954 million gain on the disposal of our Uber Russia and the Commonwealth of Independent States ("Russia/CIS") operations recognized in the first quarter of 2018. During the year ended December 31, 2020, gains on business divestitures, net represented a $154 million gain on the sale of our Uber Eats India operations to Zomato Media Private Limited ("Zomato") recognized in the first quarter of 2020 and a $77 million gain on the sale of our European Freight Business to sennder GmbH ("Sennder") recognized in the fourth quarter of 2020, partially offset by a $27 million loss on the sale of our JUMP operations to Lime recognized in the second quarter of 2020. Refer to Note 19 - Divestitures for further information.

[(2)] During the years ended December 31, 2018, 2019 and 2020, we recorded changes to the fair value of investments in securities accounted for under the fair value option. During the year ended December 31, 2018, we recorded a $2.0 billion unrealized gain on our non-marketable equity securities related to Didi recognized in the first quarter of 2018.

[(3)] During the year ended December 31, 2020, we recorded an impairment charge of $1.7 billion, primarily related to our investment in Didi recognized during the first quarter of 2020. Refer to Note 3 - Investments and Fair Value Measurement for further information.

[(4)] During the year ended December 31, 2019, we recognized a $444 million gain on extinguishment of our 2021 and 2022 Convertible Notes and settlement of derivatives in connection with our IPO, recognized during the second quarter of 2019. Refer to Note 11 - Stockholders' Equity for additional information regarding our IPO.

Note 11 - Stockholders' Equity

Initial Public Offering

On May 14, 2019, we closed our IPO, in which we issued and sold 180 million shares of our common stock. The price was $45.00 per share. We received net proceeds of approximately $8.0 billion from the IPO after deducting underwriting discounts and commissions of $106 million and offering expenses. Upon closing of the IPO: (i) all shares of our outstanding redeemable convertible preferred stock automatically converted into 905 million shares of common stock; (ii) holders of the 2021 and 2022 Convertible Notes elected to convert all outstanding notes into 94 million shares of common stock; and, (iii) an outstanding warrant which became exercisable upon the closing of the IPO was exercised to purchase 0.2 million shares of common stock. In addition, we recognized a net gain of $327 million in other income (expense), net in the consolidated statement of operations upon conversion of the 2021 and 2022 Convertible Notes during the second quarter of 2019, which consisted of $444 million gain on extinguishment of debt and settlement of derivatives, partially offset by $117 million loss from the change in fair value of embedded derivatives prior to settlement. The extinguishment of debt resulted in the derecognition of the carrying value of the debt balance and settlement of embedded derivatives.

We had granted RSAs, RSUs, SARs, and stock options that vest only upon the satisfaction of both time-based service and performance-based conditions. Through May 9, 2019, no stock-based compensation expense had been recognized for such awards with a performance condition based on the occurrence of a qualifying event (such as an IPO), as such qualifying event was not probable. Upon our IPO, we recognized $3.6 billion of stock-based compensation expense. Upon the IPO, shares were issued to satisfy the vesting of RSUs with a performance condition. To meet the related tax withholding requirements, we withheld 29 million of the 76 million shares of common stock issued. Based on the IPO public offering price of $45.00 per share, the tax withholding obligation was $1.3 billion.

As a result of stock-based compensation expense for vested and unvested RSUs upon the IPO, we recorded an additional deferred tax asset of approximately $1.1 billion that was offset by a full valuation allowance.

PayPal, Inc. ("PayPal") Private Placement

On May 16, 2019, we closed a private placement by PayPal, Inc. in which we issued and sold 11 million shares of our common stock at a purchase price of $45.00 per share and received aggregate proceeds of $500 million.

SoftBank

In 2017, SoftBank Group Corp. ("SoftBank") led a consortium to seek a stake in Uber. In January 2018, the transaction closed and the consortium purchased 25.6 million Series G-1 shares from us for total proceeds of $1.3 billion and 242.8 million common stock and preferred stock shares from existing stockholders (the "SoftBank Investment"). The price of the transaction with existing shareholders was not in excess of fair value, and therefore no compensation expense nor increase in accumulated deficit was recognized.

Redeemable Convertible Preferred Stock

Upon closing of the IPO, all shares of our outstanding redeemable convertible preferred stock automatically converted into 905 million shares of common stock.

During 2019, the warrant to purchase 922,655 Series G redeemable convertible preferred stock was exercised in full and the fair value of the warrant was reclassified to redeemable convertible preferred stock. Also during 2019, the warrant to purchase 150,071 Series E redeemable convertible preferred stock was exercised. As a result of the IPO, both the Series G and Series E warrants automatically converted to shares of common stock. For additional information related to our IPO, refer to section above titled "Initial Public Offering."

Preferred Stock

After conversion of the above mentioned redeemable convertible preferred stock into common stock upon closing of our IPO, our board of directors was granted the authority to issue up to 10 million shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders. As of December 31, 2019 and 2020, there was no preferred stock issued and outstanding.

Common Stock

As of December 31, 2020, we have the authority to issue 5.0 billion shares of common stock with a par value of $0.00001 per share. Holders of common stock are entitled to dividends when and if declared by the board of directors, subject to the rights of the holders of all classes of stock outstanding having priority rights to dividends. As of December 31, 2020, no dividends have been declared and there were 1.8 billion shares of common stock issued and outstanding.

Restricted Common Stock

We have granted restricted common stock to certain continuing employees, primarily in connection with acquisitions. Vesting of this stock may be dependent on a combination of service and performance conditions that become satisfied upon the occurrence of a qualifying event. We have the right to repurchase shares for which the vesting conditions are not satisfied. For the year ended December 31, 2020, activity related to our restricted common stock was not material.

Equity Compensation Plans

We maintain four equity compensation plans that provide for the issuance of shares of our common stock to our officers and other employees, directors, and consultants: the 2010 Stock Plan (the "2010 Plan"), the 2013 Equity Incentive Plan (the "2013 Plan"), the 2019 Equity Incentive Plan (the "2019 Plan"), and the 2019 Employee Stock Purchase Plan (the "ESPP"), which have all been approved by stockholders. These plans provide for the issuance of incentive stock options ("ISOs"), nonqualified stock options ("NSOs"), SARs, restricted stock, RSUs, performance-based awards, and other awards (that are based in whole or in part by reference to our common stock). Following our IPO, we have only issued awards under the 2019 Plan and the ESPP, and no additional awards will be granted under the 2010 Plan and 2013 Plan.

The number of shares of our common stock available for issuance under the 2019 Plan automatically increases on January 1 of each year, for a period of not more than ten years, commencing on January 1, 2020 and ending on (and including) January 1, 2029 by the lesser of (a) 5% of the total number of the shares of common stock outstanding on December 31 of the immediately preceding calendar year, and (b) such number of shares determined by our board of directors. Pursuant to the automatic increase feature of the 2019 Plan, our board of directors approved an increase of 92 million shares reserved for issuance effective January 1, 2021, for a total of 304 million shares reserved.

Stock Option and SAR Activity

A summary of stock option and SAR activity for the year ended December 31, 2020 is as follows (in millions, except share amounts which are reflected in thousands, per share amounts, and years):

	SARs Outstanding Number of SARs	Options Outstanding Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
As of December 31, 2019	337	34,801	$ 9.79	4.75	$ 746
Granted and assumed in connection with acquisitions	30	12,498	$ 13.13		
Exercised	(88)	(16,950)	$ 4.78		
Canceled and forfeited	(14)	(1,512)	$ 32.49		
Expired	(36)	(103)	$ 32.01		
As of December 31, 2020	229	28,734	$ 12.87	4.97	$ 1,104
Vested and expected to vest as of December 31, 2020	154	20,928	$ 7.67	4.25	$ 933
Exercisable as of December 31, 2020	154	20,928	$ 7.67	4.25	$ 933

The total intrinsic value of stock options and SARs exercised for the years ended December 31, 2018, 2019 and 2020, was $392 million, $202 million and $614 million, respectively.

RSU Activity

The following table summarizes the activity related to our RSUs for the year ended December 31, 2020 (in thousands, except per share amounts):

	Number of Shares	Weighted-Average Grant-Date Fair Value per Share
Unvested and outstanding as of December 31, 2019	84,743	$ 39.82
Granted	69,450	$ 28.14
Vested	(38,606)	$ 37.03
Canceled and forfeited	(31,851)	$ 35.44
Unvested and outstanding as of December 31, 2020	83,736	$ 34.17

The total fair value of RSUs vested for the years ended December 31, 2018, 2019 and 2020 was $967 million, $1.4 billion, and $1.4 billion, respectively.

Stock-Based Compensation Expense

Stock-based compensation expense is allocated based on the cost center to which the award holder belongs. The following table summarizes total stock-based compensation expense by function for the years ended December 31, 2018, 2019 and 2020 (in millions):

	Year Ended December 31,		
	2018	2019	2020
Operations and support	$ 15	$ 454	$ 72
Sales and marketing	9	242	48
Research and development	65	2,958	477
General and administrative	83	942	230
Total	$ 172	$ 4,596	$ 827

Upon our IPO on May 14, 2019, the performance condition was met and $3.6 billion of stock-based compensation expense was recognized related to these awards. For additional information related to our IPO, refer to section above titled "Initial Public Offering."

During the years ended December 31, 2018, 2019 and 2020, we modified the terms of stock-based awards for certain employees upon their termination or change in employment status. We recorded incremental stock-based compensation cost in relation to the modification of stock-based awards of $56 million for the year ended December 31, 2018. Incremental stock-based compensation cost in relation to the modification of stock-based awards was not material for the years ended December 31, 2019 and 2020.

As of December 31, 2020, there was $2.3 billion of unamortized compensation costs related to all unvested awards. The unamortized compensation costs are expected to be recognized over a weighted-average period of approximately 2.72 years. Stock-based compensation expense capitalized as internally developed software costs was not material for the years ended December 31, 2018 or 2020 and $61 million for the year ended December 31, 2019.

The tax benefits recognized in the consolidated statements of operations for stock-based compensation arrangements were not material during the years ended December 31, 2018, 2019 and 2020, respectively.

The weighted-average fair values of common stock and redeemable convertible preferred stock warrants granted to non-employee service providers and others in the year ended December 31, 2018 was $47.20 for shares vested or expected to vest. No redeemable convertible preferred stock warrants were granted in 2019 or 2020. The total grant-date fair value of warrants vested to non-employee service providers and others in the year ended December 31, 2018 was not material. The fair value of warrants granted during 2018 was determined using the Black-Scholes option-pricing model using the weighted-average assumptions in the table below. During 2019 and 2020, warrants vested were not material and no warrants were granted.

	Year Ended December 31, 2018
Contractual term (in years)	1.6
Risk-free interest rate	2.5 %
Expected volatility	34.7 %
Expected dividend yield	— %

The weighted-average grant-date fair values of stock options and SARs granted to employees in the years ended December 31, 2018, 2019 and 2020 were $12.94, $19.91 and $35.77 per share, respectively. The fair value of stock options and SARs granted was determined using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2018	2019	2020
Expected term (in years)	6.0	6.0	4.0
Risk-free interest rate	2.8 %	2.2 %	0.3 %
Expected volatility	32.9 %	33.9 %	42.5 %
Expected dividend yield	— %	— %	— %

The weighted-average grant-date fair values of performance awards with market-based targets in the years ended December 31, 2018 and 2019 were $14.77 and $18.20 per share, respectively. The weighted-average derived service periods for performance awards with market-based targets in the years ended December 31, 2018 and 2019 were 3.31 and 2.12 years, respectively. There were no performance awards with market-based targets granted in the year ended December 31, 2020. The fair value of performance awards with market-based targets granted was determined using a Monte Carlo model with the following weighted-average assumptions:

	Year Ended December 31,		
	2018	2019	2020
Risk-free interest rate	2.8 %	2.7 %	— %
Expected volatility	36.9 %	39.0 %	— %
Expected dividend yield	— %	— %	— %

Share Repurchases

The following table represents a summary of common stock repurchased in connection with discrete arrangements with selected current and former employees during the year ended December 31, 2018. There were no common stock shares repurchased for the years ended December 31, 2019 and 2020.

(In millions, except share amounts which are reflected in thousands, and per share amounts)	Year Ended December 31, 2018
Common stock shares repurchased	286
Common stock repurchase cost	$ 11
Fair value of repurchase recorded as an increase in accumulated deficit	$ 13
Excess of fair value recorded as stock-based compensation	$ 1
Price range per common stock share	$ 36.58 - $ 41.65

2019 Employee Stock Purchase Plan

On May 9, 2019, the date of the underwriting agreement between Uber and the underwriters for the IPO, our ESPP became effective. The number of shares of Uber common stock available for issuance under the ESPP automatically increases on January 1 of each year, beginning in 2020 and continuing through 2029, by the lesser of (a) 1.0% of the total number of shares of common stock outstanding on December 31 of the immediately preceding calendar year, and (b) 25,000,000 shares. However, our board of directors or compensation committee may reduce the amount of the increase in any particular year. Pursuant to the automatic increase feature of the ESPP, effective January 1, 2021, a total of 54 million shares of common stock are reserved for issuance under the ESPP.

The stock-based compensation expense recognized for the ESPP was not material during the years ended December 31, 2019 and 2020. During the years ended December 31, 2019 and 2020, 2 million and 5 million shares, respectively, of common stock were purchased under the ESPP at a weighted-average price of $23.83 and $25.05 per share, respectively, resulting in cash proceeds of $49 million and $125 million, respectively. We selected the Black-Scholes option-pricing model as the method for determining the estimated fair value for our ESPP. As of December 31, 2020, total unrecognized compensation cost related to the ESPP was $38 million, which will be amortized over a period of 0.8 years.

Note 12 - Income Taxes

The U.S. and foreign components of income (loss) before provision for (benefit from) income taxes for the years ended December 31, 2018, 2019 and 2020 are as follows (in millions):

	Year Ended December 31,		
	2018	2019	2020
U.S.	$ (2,726)	$ (4,926)	$ (3,518)
Foreign	4,038	(3,507)	(3,428)
Income (loss) before income taxes and loss from equity method investments	$ 1,312	$ (8,433)	$ (6,946)

The components of the provision for (benefit from) income taxes for the years ended December 31, 2018, 2019 and 2020 are as follows (in millions):

	Year Ended December 31,		
	2018	2019	2020
Current			
Federal	$ 13	$ 1	$ —
State	15	—	11
Foreign	220	132	63
Total current tax expense	$ 248	$ 133	$ 74
Deferred			
Federal	(159)	(77)	(97)
State	7	8	(7)
Foreign	187	(19)	(162)
Total deferred tax expense (benefit)	35	(88)	(266)
Total provision for (benefit from) income taxes	$ 283	$ 45	$ (192)

The following is a reconciliation of the statutory federal income tax rate to our effective tax rate for the years ended December 31, 2018, 2019 and 2020:

	Year Ended December 31,		
	2018	2019	2020
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %
State income tax expense	1.7	(0.1)	(0.1)
Foreign rate differential	29.6	(3.8)	10.8
Foreign rate differential - gain on divestiture (1)	(83.1)	—	—
Non-deductible expenses	0.8	(1.3)	(1.3)
Stock-based compensation	(2.6)	1.2	1.3
Interest on convertible notes	15.1	(0.3)	—
Gain on convertible notes	—	1.1	—
Federal research and development credits	(7.2)	3.1	2.9
Deferred tax on foreign investments (2)	51.4	—	0.9
Entity restructuring (3)	(20.0)	92.3	(1.7)
Change in unrecognized tax benefits	9.9	(17.0)	(3.7)
Valuation allowance	4.9	(97.3)	(45.8)
Global Intangible Low-taxed Income	—	(1.6)	—
Tax Rate Change	—	—	14.4
Other interest	—	1.8	3.2
Other, net	0.1	0.4	0.9
Effective income tax rate	21.6 %	(0.5)%	2.8 %

(1) The 2018 rate impact for "Foreign rate differential – gain on divestiture" was primarily driven by the gains on divestitures reported by subsidiaries in jurisdictions with statutory tax rates lower than the U.S. federal tax rate.

(2) The 2018 rate impact for "Deferred tax on foreign investments" was related to the following: a) deferred U.S. tax impact of income inclusion related to the gain on the eventual disposition of the shares underlying our investment in Didi and Grab, and b) deferred China tax impact on the eventual disposition of the shares underlying our investment in Didi.

The 2020 rate impact for "Deferred tax on foreign investments" was primarily driven by the deferred U.S. tax impact and the deferred China tax impact of the impairment charge related to our investment in Didi.

(3) The 2018 rate impact for "Entity restructuring" was related to a transaction that resulted in the repatriation of assets from a foreign subsidiary to a domestic subsidiary. As a result of the repatriation, the deferred tax assets were recalculated at the U.S. statutory tax rate, resulting in a total deferred tax benefit of $275 million. The rate differential between the foreign subsidiary and the United States resulted in this deferred tax benefit.

The 2019 rate impact for "Entity restructuring" was related to a series of transactions resulting in changes to our international legal structure, including a redomiciliation of a subsidiary to the Netherlands and a transfer of certain intellectual property rights among wholly owned subsidiaries, primarily to align its evolving operations. The redomiciliation resulted in a step-up in the tax basis of intellectual property rights and a correlated increase in foreign deferred tax assets in an amount of $6.4 billion, net of a reserve for uncertain tax positions of $1.4 billion (refer to the 2019 rate impact for "Change in unrecognized tax benefits"). Based on available objective evidence, management believed it was not more-likely-than-not that these additional foreign deferred tax assets will be realizable as of December 31, 2019 and, therefore, were offset by a full valuation allowance (refer to the 2019 rate impact for "Valuation allowance") to the extent not offset by reserves for uncertain tax positions. The corresponding deferred tax asset and valuation allowance balance were included in the "Fixed assets and intangible assets" and "Valuation allowance" lines, respectively, in the table below.

In the second quarter of 2020, we transferred certain intangible assets among our wholly-owned subsidiaries to align our structure to our evolving operations. The transaction resulted in the establishment of deferred tax assets of $354 million; however, there was no financial statement benefit recognized since the deferred tax asset was offset by a full valuation allowance.

The components of deferred tax assets and liabilities as of December 31, 2019 and 2020 are as follows (in millions):

	As of December 31,	
	2019	2020
Deferred tax assets		
Net operating loss carryforwards	$ 2,789	$ 4,949
Research and development credits	587	857
Stock-based compensation	241	125
Accruals and reserves	197	227
Accrued legal	65	95
Fixed assets and intangible assets	6,361	6,936
Investment in partnership	331	254
Lease liability	438	460
Other	221	620
Total deferred tax assets	11,230	14,523
Less: Valuation allowance	(9,855)	(13,410)
Total deferred tax assets, net of valuation allowance	1,375	1,113
Deferred tax liabilities		
Indefinite lived deferred tax liability (1)	1,984	1,502
ROU assets	366	322
Other	2	68
Total deferred tax liabilities	2,352	1,892
Net deferred tax liabilities	$ 977	$ 779

(1) The $1.5 billion indefinite-lived deferred tax liability represents the deferred U.S. and foreign income tax expense, which will be incurred upon the eventual disposition of the shares underlying our investments in Didi and Grab. The current year tax expense and any subsequent changes in the recognition or measurement of this deferred tax liability will be recorded in continuing operations.

Based on available evidence, management believes it is not more-likely-than-not that the net U.S., India, and Netherlands deferred tax assets will be fully realizable. In these jurisdictions, we have recorded a valuation allowance against net deferred tax assets. We regularly review the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing taxable temporary differences and tax planning strategies by jurisdiction. Our judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute our business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, our income tax provision would increase or decrease in the period in which the assessment is changed. We had a valuation allowance against net deferred tax assets of $9.9 billion and $13.4 billion as of December 31, 2019 and 2020, respectively. In 2020, the change in the valuation allowance was primarily attributable to an increase in U.S. federal, state, and Netherlands deferred tax assets resulting from loss from operations, tax credits generated during the year, and tax rate increase in the Netherlands.

The indefinite carryforward period for net operating losses ("NOLs") means that indefinite-lived deferred tax liabilities can be considered as support for realization of deferred tax assets including post December 31, 2017 net operating loss carryovers, which can affect the need to record or maintain a valuation allowance for deferred tax assets. At December 31, 2019 and 2020, we realized approximately $979 million and $744 million, respectively, of our U.S. federal and state deferred tax assets as a result of our naked credits being used as a source of income.

As of December 31, 2020, we had U.S. federal NOL carryforwards of $3.1 billion that begin to expire in 2031 and $10.5 billion that have an unlimited carryover period. As of December 31, 2020, we had U.S. state NOL carryforwards of $9.4 billion that begin to expire in 2021 and $1.7 billion that have an unlimited carryover period. As of December 31, 2020, we had foreign NOL carryforwards of $6.6 billion that begin to expire in 2023 and $251 million that have an unlimited carryover period.

As of December 31, 2020, we had U.S. federal research tax credit carryforwards of $697 million that begin to expire in 2031. We had U.S. state research tax credit carryforwards of $16 million that begin to expire in 2032 and $417 million that have an unlimited carryover period.

In the event we experience an ownership change within the meaning of Section 382 of the Internal Revenue Code ("IRC"), our ability to utilize net operating losses, tax credits and other tax attributes may be limited. The most recent analysis of our historical ownership changes was completed through December 31, 2020. Based on the analysis, we do not anticipate a current limitation on the tax attributes.

In response to the Coronavirus pandemic, governments in certain countries have enacted legislation, including the Coronavirus Aid, Relief, and Economic Security Act enacted by the U.S. on March 27, 2020. Recent legislative developments did not have a material impact on our provision for (benefit from) income taxes.

The following table reflects changes in gross unrecognized tax benefits (in millions):

	Year Ended December 31,		
	2018	2019	2020
Unrecognized tax benefits at beginning of year	$ 221	$ 394	$ 1,797
Gross increases - current year tax positions	57	1,566	353
Gross increases - prior year tax positions	128	16	191
Gross decreases - prior year tax positions	(12)	(36)	(48)
Gross decreases - settlements with tax authorities	—	(143)	—
Unrecognized tax benefits at end of year	$ 394	$ 1,797	$ 2,293

As of December 31, 2020, approximately $100 million of unrecognized tax benefits, if recognized, would impact the effective tax rate. The remaining $2.2 billion of the unrecognized tax benefits would not impact the effective tax rate due to the valuation allowance against certain deferred tax assets.

We recognize accrued interest and penalties related to unrecognized tax benefits within the provision for income taxes in the consolidated statements of operations. The amount of interest and penalties accrued as of December 31, 2019 and 2020 was $10 million and $12 million, respectively.

Although the timing of the resolution and/or closure of audits is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next 12 months. Given the number of years remaining subject to examination and the number of matters being examined, we are unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits. Any changes to unrecognized tax benefits recorded as of December 31, 2020 that are reasonably possible to occur within the next 12 months are not expected to be material.

We are subject to taxation in the U.S. and various state and foreign jurisdictions. We are also under various state and other foreign income tax examinations. We believe that adequate amounts have been reserved in these jurisdictions. To the extent we have tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the federal, state or foreign tax authorities to the extent utilized in a future period.

As of December 31, 2020, the open tax years for our major tax jurisdictions are as follows:

Jurisdiction	Tax Years
U.S. Federal	2011 - 2020
U.S. States	2001 - 2020
Brazil	2015 - 2020
Netherlands	2014 - 2020
Australia	2016 - 2020

As of December 31, 2020, we intend to indefinitely reinvest approximately $209 million of accumulated foreign earnings of certain foreign subsidiaries. The amount of potential unrecognized deferred tax liability with respect to such unremitted earnings is not material.

Note 13 - Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding for the periods presented. Diluted net income (loss) per share is computed by giving effect to all potential weighted average dilutive common stock. The dilutive effect of outstanding awards and convertible securities is reflected in diluted net income (loss) per share by application of the treasury stock method.

Since we were in a loss position for the years ended December 31, 2019 and 2020, basic net loss per share was the same as diluted net income per share for the periods presented. For the year ended December 31, 2018, all net income was allocated to noncumulative dividends on preferred stock, therefore basic net income per share was the same as diluted net income per share.

We take into account the effect on consolidated net income (loss) per share of dilutive securities of entities in which we hold equity interests that are accounted for using the equity method.

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to common stockholders for the years ended December 31, 2018, 2019 and 2020 (in millions, except share amounts which are reflected in thousands, and per share amounts):

	Year Ended December 31,		
	2018	2019	2020
Basic net income (loss) per share:			
Numerator			
Net income (loss) including non-controlling interests	$ 987	$ (8,512)	$ (6,788)
Add: net loss attributable to non-controlling interests, net of tax	(10)	(6)	(20)
Less: noncumulative dividends to preferred stockholders	997	—	—
Net income (loss) attributable to common stockholders	$ —	$ (8,506)	$ (6,768)
Denominator			
Basic weighted-average common stock outstanding	443,368	1,248,353	1,752,960
Basic net income (loss) per share attributable to common stockholders (1)	$ —	$ (6.81)	$ (3.86)
Diluted net income (loss) per share:			
Numerator			
Net income (loss) attributable to common stockholders	$ —	$ (8,506)	$ (6,768)
Add: change in fair value of MLU B.V. put/call feature	(12)	—	—
Add: noncumulative dividends to preferred stockholders	12	—	—
Diluted net income (loss) attributable to common stockholders	$ —	$ (8,506)	$ (6,768)
Denominator			
Number of shares used in basic net income (loss) per share computation	443,368	1,248,353	1,752,960
Weighted-average effect of potentially dilutive securities:			
Common stock subject to a put/call feature	407	—	—
Stock options	33,528	—	—
RSUs to settle fixed monetary awards	1,073	—	—
Other	623	—	—
Diluted weighted-average common stock outstanding	478,999	1,248,353	1,752,960
Diluted net income (loss) per share attributable to common stockholders (1)	$ —	$ (6.81)	$ (3.86)

(1) Per share amounts are calculated using unrounded numbers and therefore may not recalculate.

On May 14, 2019, we completed our IPO, in which we issued and sold 180 million shares of our common stock at a price of $45.00 per share. On that date, all of our outstanding redeemable convertible preferred stock automatically converted into 905 million shares of common stock, and the holders of the 2021 and 2022 Convertible Notes elected to convert the outstanding notes into common stock, resulting in the issuance of 94 million shares of common stock. These shares were included in our issued and outstanding common stock starting on that date. Refer to Note 11 - Stockholders' Equity for further information.

On January 18, 2018, we converted 390 million shares of our Class B common stock into Class A common stock under the conditions of the SoftBank Investment, thereby increasing the total number of Class A common stock outstanding to 450 million shares and resulting in only one class of common stock. Refer to Note 11 - Stockholders' Equity for further information.

The following potentially dilutive outstanding securities were excluded from the computation of diluted net income (loss) per share because their effect would have been anti-dilutive for the periods presented, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period (in thousands):

	Year Ended December 31,		
	2018	2019	2020
Redeemable convertible preferred stock	903,607	—	—
Freight Holdings contingently redeemable preferred stock	—	—	14,339
Convertible notes	200,595	—	28,407
RSUs	137,426	85,058	83,736
Stock options	8,776	34,800	28,734
Restricted common stock with performance condition	1,758	—	—
Common stock subject to repurchase	1,695	210	28
Warrants to purchase redeemable convertible preferred stock	1,073	—	—
SARs	758	—	—
RSUs to settle fixed monetary awards	559	283	49
Shares committed under ESPP	—	5,490	2,451
Warrants to purchase common stock	100	123	126
Total	1,256,347	125,964	157,870

Note 14 - Segment Information and Geographic Information

We determine our operating segments based on how the chief operating decision maker ("CODM") manages the business, allocates resources, makes operating decisions and evaluates operating performance.

During the second quarter of 2020, we changed the name of the Rides segment to Mobility and the name of the Eats segment to Delivery. In addition, during the second quarter of 2020, we completed the divestiture of our JUMP business (the "JUMP Divestiture"), which comprised substantially all of the operations of our Other Bets reportable segment. Subsequent to the JUMP Divestiture, the Other Bets segment no longer exists and the continuing activities previously included in the Other Bets segment are immaterial for all periods presented. Certain of these other continuing business activities were migrated to our Mobility segment, whose prior period results were not restated because such business activities were immaterial. The other business activities that were not migrated represent an "all other category separate from other reconciling items" and are presented within the All Other caption. The historical results of the former Other Bets segment are included within the All Other caption. Refer to Note 19 - Divestitures for further information regarding the JUMP Divestiture.

As of December 31, 2020, our four operating and reportable segments are as follows:

Segment	Description
Mobility	Mobility products connect consumers with Drivers who provide rides in a variety of vehicles, such as cars, auto rickshaws, motorbikes, minibuses, or taxis. Mobility also includes activity related to our U4B, Financial Partnerships, Transit and Vehicle Solutions offerings.
Delivery	Delivery offerings allow consumers to search for and discover local restaurants, order a meal, and either pick-up at the restaurant or have the meal delivered. In certain markets, Delivery also includes offerings for grocery and convenience store delivery as well as select other goods.
Freight	Freight connects carriers with shippers on our platform, and gives carriers upfront, transparent pricing and the ability to book a shipment.
ATG and Other Technology Programs	The ATG and Other Technology Programs segment is responsible for the development and commercialization of autonomous vehicle and ridesharing technologies, as well as Uber Elevate.

For information about how our reportable segments derive revenue, refer to Note 2 - Revenue. Our segment operating performance measure is segment adjusted EBITDA. The CODM does not evaluate operating segments using asset information and, accordingly, we do not report asset information by segment. Segment adjusted EBITDA is defined as revenue less the following expenses: cost of revenue, operations and support, sales and marketing, and general and administrative and research and development expenses associated with our segments. Segment adjusted EBITDA also excludes non-cash items or items that management does not believe are reflective of our ongoing core operations (as shown in the table below). The following table provides information about our segments and a reconciliation of the total segment adjusted EBITDA to loss from operations (in millions):

	Year Ended December 31,		
	2018	2019	2020
Segment adjusted EBITDA:			
Mobility	$ 1,541	$ 2,071	$ 1,169
Delivery	(601)	(1,372)	(873)
Freight	(102)	(217)	(227)
ATG and Other Technology Programs	(537)	(499)	(375)
All Other	(50)	(251)	(86)
Total segment adjusted EBITDA	251	(268)	(392)
Reconciling items:			
Corporate G&A and Platform R&D [(1), (2)]	(1,971)	(2,457)	(2,136)
Depreciation and amortization	(426)	(472)	(575)
Stock-based compensation expense	(172)	(4,596)	(827)
Legal, tax, and regulatory reserve changes and settlements	(340)	(353)	35
Driver appreciation award	—	(299)	—
Payroll tax on IPO stock-based compensation	—	(86)	—
Goodwill and asset impairments/loss on sale of assets	(237)	(8)	(317)
Acquisition, financing and divestitures related expenses	(15)	—	(86)
Accelerated lease costs related to cease-use of ROU assets	—	—	(102)
COVID-19 response initiatives	—	—	(106)
Gain on lease arrangement, net	4	—	5
Impact of 2018 Divested Operations [(1), (3)]	(127)	—	—
Restructuring and related charges, net	—	(57)	(362)
Loss from operations	$ (3,033)	$ (8,596)	$ (4,863)

(1) Excluding stock-based compensation expense.

(2) Includes costs that are not directly attributable to our reportable segments. Corporate G&A also includes certain shared costs such as finance, accounting, tax, human resources, information technology and legal costs. Platform R&D also includes mapping and payment technologies and support and development of the internal technology infrastructure. Our allocation methodology is periodically evaluated and may change.

(3) Defined as our 2018 operations in (i) Southeast Asia prior to the sale of those operations to Grab and (ii) Russia/CIS prior to the formation our Yandex.Taxi joint venture.

Geographic Information

Revenue by geography is based on where the trip or shipment was completed or meal delivered. Long-lived assets, net includes property and equipment, net and operating lease right-of-use assets as well as the same asset class included within assets held for sale on the consolidated balance sheets. The following tables set forth revenue and long-lived assets, net by geographic area as of and for the years ended December 31, 2018, 2019 and 2020 (in millions):

	Year Ended December 31,		
	2018 (1)	2019 (1)	2020
United States	$ 5,824	$ 7,968	$ 6,082
All other countries	4,609	5,032	5,057
Total Revenue	$ 10,433	$ 13,000	$ 11,139

(1) Our revenue have been retrospectively adjusted to reflect the implementation of the new accounting policy. Refer to Note 1 - Description of Business and Summary of Significant Accounting Policies for further information on the change in accounting policy.

	As of December 31,	
	2019	2020
United States	$ 2,958	$ 2,940
All other countries	367	252
Total long-lived assets, net	$ 3,325	$ 3,192

Revenue grouped by offerings is included in Note 2 - Revenue.

Note 15 - Commitments and Contingencies

Contingencies

From time to time, we are a party to various claims, non-income tax audits and litigation in the normal course of business. As of December 31, 2019 and 2020, we had recorded aggregate liabilities of $1.5 billion and $1.8 billion, respectively, of which $1.2 billion and $1.3 billion relate to non-income tax matters, respectively, in accrued and other current liabilities on the consolidated balance sheets for all of our legal, regulatory and non-income tax matters that were probable and reasonably estimable.

We are currently party to various legal and regulatory matters that have arisen in the normal course of business and include, among others, alleged independent contractor misclassification claims, Fair Credit Reporting Act (“FCRA”) claims, alleged background check violations, pricing and advertising claims, unfair competition claims, intellectual property claims, employment discrimination and other employment-related claims, Telephone Consumer Protection Act (“TCPA”) claims, Americans with Disabilities Act (“ADA”) claims, data and privacy claims, securities claims, antitrust claims, challenges to regulations, and other matters. We have existing litigation, including class actions, Private Attorney General Act lawsuits, arbitration claims, and governmental administrative and audit proceedings, asserting claims by or on behalf of Drivers that Drivers are misclassified as independent contractors. In connection with the enactment of California State Assembly Bill 5 (“AB5”), we have received and expect to continue to receive - in California and in other jurisdictions - an increased number of misclassification claims. With respect to our outstanding legal and regulatory matters, based on our current knowledge, we believe that the ultimate amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on our business, financial position, results of operations, or cash flows. The outcome of such legal matters is inherently unpredictable and subject to significant uncertainties. If one or more of these matters were resolved against us for amounts in excess of management's expectations, our results of operations, financial condition or cash flows could be materially adversely affected.

Driver Classification

California Attorney General Lawsuit

In January 2020, AB5 went into effect. AB5 codifies a test to determine whether a worker is an employee under California law. The test is referred to as the “ABC” test, and was originally handed down by the California Supreme Court in Dynamex Operations v. Superior Court in 2018. Under the ABC test, workers performing services for a hiring entity are considered employees unless the hiring entity can demonstrate three things: the worker (A) is free from the hiring entity’s control, (B) performs work that is outside the usual course of the hiring entity’s business, and (C) customarily engages in the independent trade, work or type of business performed for the hiring entity.

On May 5, 2020, the California Attorney General, in conjunction with the city attorneys for San Francisco, Los Angeles and San Diego, filed a complaint in San Francisco Superior Court against Uber and Lyft, Inc. (“Lyft”). The complaint alleges drivers are misclassified, and seeks an injunction and monetary damages related to the alleged competitive advantage caused by the alleged misclassification of drivers.

On August 10, 2020, the Court issued a preliminary injunction order prohibiting us from classifying drivers as independent contractors and from violating various wage and hour laws. The injunction was stayed pending appeal. On October 22, 2020, the Court of Appeal affirmed the lower court’s ruling and held that we must comply with the preliminary injunction order no later than 30 days after the case is returned to the trial court. In November 2020, California voters voted in favor of Proposition 22, a state ballot initiative that provided a framework for drivers that use platforms like ours to qualify as independent workers. As a result of the passage of Proposition 22, Drivers are able to maintain their status as independent contractors under California law, and we and our competitors are required to comply with the provisions of Proposition 22. Proposition 22 went into effect on December 16, 2020;

however, for periods prior to its effectiveness and with respect to the California Attorney General's lawsuit, we intend to continue to vigorously defend ourselves. Our chances of success on the merits are still uncertain and any reasonably possible loss or range of loss cannot be estimated.

Massachusetts Attorney General Lawsuit

On July 9, 2020, the Massachusetts Attorney General filed a complaint in Suffolk County Superior Court against Uber and Lyft. The complaint alleges Drivers are employees, and are entitled to protections under the wage and labor laws. The complaint was served on July 20, 2020 and Uber filed a motion to dismiss the complaint on September 24, 2020. Our chances of success on the merits are still uncertain and any reasonably possible loss or range of loss cannot be estimated.

Postmates Arbitrations

We have received demands or have been threatened with demands for individual arbitration on behalf of Delivery People who claim to be misclassified as independent contractors by Postmates. These claims expose us to wage and hour and related liabilities for each individual who has filed a demand. Our chances of success on the merits are still uncertain and any reasonably possible loss or range of loss cannot be estimated.

Swiss Social Security Reclassification

Several Swiss administrative bodies have issued decisions in which they classify Drivers as employees of Uber Switzerland, Rasier Operations B.V. or of Uber B.V. for social security or regulatory purposes. We are challenging each of them before the Social Security and Administrative Tribunals. In April 2020, a ruling was made on a separate matter in Switzerland which reclassified a Driver as an employee.

The ultimate resolution of the social security matters is uncertain and the amount accrued for this matter is recorded within accrued and other current liabilities on the consolidated balance sheets.

Aslam, Farrar, Hoy and Mithu v. Uber B.V., Uber Britannia Ltd. and Uber London Ltd.

On October 28, 2015, a claim by 25 Drivers, including Mr. Y. Aslam and Mr. J. Farrar, was brought in the UK Employment Tribunal against us asserting that they should be classified as "workers" (a separate category between independent contractors and employees) in the UK rather than independent contractors. The tribunal ruled on October 28, 2016 that Drivers were workers whenever our app is switched on and they are ready and able to take trips based on an assessment of the app in July 2016. The Court of Appeal rejected our appeal in a majority decision on December 19, 2018. We appealed to the Supreme Court and a hearing at the Supreme Court took place in July 2020.

On February 19, 2021, the Supreme Court of the UK upheld the tribunal ruling that the Drivers using the app in 2016 were workers for UK employment law purposes. Damages may include back pay including holiday pay and minimum wage. Additional claimants have also filed and each claimant will be required to bring their own separate action to an employment tribunal to determine whether they met the "worker" classification and if so, how much each claimant will be awarded. In addition, we expect to be subject to related pension contributions, which will require separate engagement with the UK pension regulator, but the ultimate resolution of this matter, including the amount of any exposure is uncertain.

Other Driver Classification Matters

Additionally, we have received other lawsuits and governmental inquiries in other jurisdictions, and anticipate future claims, lawsuits, arbitration proceedings, administrative actions, and government investigations and audits challenging our classification of Drivers as independent contractors and not employees. We believe that our current and historical approach to classification is supported by the law and intend to continue to defend ourselves vigorously in these matters. However, the results of litigation and arbitration are inherently unpredictable and legal proceedings related to these claims, individually or in the aggregate, could have a material impact on our business, financial condition, results of operations and cash flows. Regardless of the outcome, litigation and arbitration of these matters can have an adverse impact on us because of defense and settlement costs individually and in the aggregate, diversion of management resources and other factors.

State Unemployment Taxes

In December 2016, following an audit opened in 2014 investigating whether Drivers were independent contractors or employees, we received a Notification of Assessment from the Employment Development Department ("EDD"), State of California, for payroll tax liabilities. The notice retroactively imposed various payroll tax liabilities on us, including unemployment insurance, employment training tax, state disability insurance, and personal income tax. We have filed a petition with an administrative law judge of the California Unemployment Insurance Appeals Board appealing the assessment. In addition to the assessment, there is a risk of exposure for later years, although no formal assessment has been issued. This matter remains pending.

In 2018, the New Jersey Department of Labor ("NJDOL") opened an audit reviewing whether Drivers were independent contractors or employees for purposes of determining whether unemployment insurance regulations apply from 2014 through 2018. The NJDOL made an assessment on November 12, 2019, against both Rasier and Uber. Both assessments were calculated through

November 15, 2019, but only calculated the alleged contributions, penalties, and interests owed from 2014 through 2018. The DOL provided a revised assessment on February 24, 2021. We are engaged in ongoing discussions with the NJDOL about the assessments, though the NJDOL has noticed Uber for a hearing on the merits. Our chances of success on the merits are still uncertain and any reasonably possible loss or range of loss cannot be estimated.

Google v. Levandowski & Ron; Google v. Levandowski

On October 28, 2016, Google filed arbitration demands against each of Anthony Levandowski and Lior Ron, former employees of Google, alleging breach of their respective employment agreements with Google, fraud and other state law violations (due to soliciting Google employees and starting a new venture to compete with Google's business in contravention of their respective employment agreements). Google sought damages, injunctive relief, and restitution. On March 26, 2019, following a hearing, the arbitration panel issued an interim award, finding against each of Google's former employees and awarding $127 million against Anthony Levandowski and $1 million for which both Anthony Levandowski and Lior Ron are jointly and severally liable. In July 2019, Google submitted its request for interest, attorneys fees, and costs related to these claims. The Panel's Final Award was issued on December 6, 2019. On February 7, 2020, Ron and Google entered into a settlement agreement and mutual release to satisfy the corrected final award in the amount of approximately $10 million. Uber paid Google on behalf of Ron pursuant to an indemnification obligation. A dispute continues to exist with regard to Uber's alleged indemnification obligation to Levandowski. Whether Uber is ultimately responsible for indemnification of Levandowski depends on the exceptions and conditions set forth in the indemnification agreement. In March 2020, Levandowski pleaded guilty to criminal trade secret charges and filed for bankruptcy. Uber filed a proof of claim in the bankruptcy court, and Levandowski additionally asserted a claim against Uber alleging that Uber failed to perform its obligations under an agreement with Otto Trucking, LLC. The indemnification dispute and Levandowski's claim will proceed in the bankruptcy court. Former President Trump pardoned Levandowski from the trade secret conviction. The ultimate resolution of the matter could result in a possible loss of up to $60 million or more (depending on interest incurred) in excess of the amount accrued.

Taiwan Regulatory Fines

Prior to us adjusting and re-launching our operating model in April 2017 to a model where government-approved rental companies provide transport services to Riders, Drivers in Taiwan and the local Uber entity were fined by Taiwan's Directorate General of Highways in significant numbers across Taiwan. On January 6, 2017, a new Highways Act came into effect in Taiwan which increased maximum fines from New Taiwan Dollar ("NTD") 150,000 to NTD 25 million per offense. We suspended our service in Taiwan from February 10, 2017 to April 12, 2017, but a number of these fines were issued to the local Uber entity in connection with rides that took place in January and February 2017 prior to the suspension.

Since April 2017, we have been appealing the fines through the courts. On September 18, 2020, the Grand Chamber of the Supreme Court announced a positive ruling finding that the agency that issued these fines against the local Uber entity did not have the jurisdiction to do so. Individual Supreme Court chambers revoked many of these tickets and only an immaterial amount remained as of December 31, 2020.

Non-Income Tax Matters

We recorded an estimated liability for contingencies related to non-income tax matters and are under audit by various domestic and foreign tax authorities with regard to such matters. The subject matter of these contingent liabilities and non-income tax audits primarily arises from our transactions with Drivers, as well as the tax treatment of certain employee benefits and related employment taxes. In jurisdictions with disputes connected to transactions with Drivers, disputes involve the applicability of transactional taxes (such as sales, value added and similar taxes) to services provided, as well as the applicability of withholding tax on payments made to such Drivers.

We are involved in a proceeding in the UK involving HMRC, the tax regulator in the UK, which is seeking to classify us as a transportation provider. Being classified as a transportation provider would result in a VAT (20%) on Gross Bookings or on the service fee that we charge Drivers, both retroactively and prospectively. HMRC is considering a number of factors including our contractual Driver, Rider and intercompany arrangements, and HMRC is also expected to consider the U.K. Supreme Court's February 19, 2021 ruling on Drivers' worker classification, in determining whether we should be classified as a provider of transportation services. HMRC may update its assessment, which we would then review and discuss with HMRC. If we do not reach a satisfactory resolution after exhausting HMRC's review and appeals process, we would still be able to argue our case anew in the U.K. Tax Court, which may require the up-front payment to the Tax Court ("pay-to-play") of any final HMRC assessment to be held in escrow. We continue to believe that we have meritorious defense in these proceedings.

During the first quarter of 2020, we favorably resolved a state non-income exposure in the U.S. resulting in a $138 million reduction of U.S. non-income tax reserves. Our estimated liability is inherently subjective due to the complexity and uncertainty of these matters and the judicial processes in certain jurisdictions, therefore, the final outcome could be different from the estimated liability recorded.

Other Legal and Regulatory Matters

We have been subject to various government inquiries and investigations surrounding the legality of certain of our business practices, compliance with antitrust, foreign corrupt practices act and other global regulatory requirements, labor laws, securities laws, data protection and privacy laws, the adequacy of disclosures to investors and other shareholders, and the infringement of certain intellectual property rights. We have investigated many of these matters and we are implementing a number of recommendations to our managerial, operational and compliance practices, as well as strengthening our overall governance structure. In many cases, we are unable to predict the outcomes and implications of these inquiries and investigations on our business which could be time consuming, costly to investigate and require significant management attention. Furthermore, the outcome of these inquiries and investigations could negatively impact our business, reputation, financial condition and operating results, including possible fines and penalties and requiring changes to operational activities and procedures.

Indemnifications

In the ordinary course of business, we often include standard indemnification provisions in our arrangements with third parties. Pursuant to these provisions, we may be obligated to indemnify such parties for losses or claims suffered or incurred in connection with its activities or non-compliance with certain representations and warranties made by us. In addition, we have entered into indemnification agreements with our officers, directors, and certain current and former employees, and our certificate of incorporation and bylaws contain certain indemnification obligations. It is not possible to determine the maximum potential loss under these indemnification provisions / obligations because of the unique facts and circumstances involved in each particular situation.

Note 16 - Variable Interest Entities ("VIEs")

Consolidated VIEs

We consolidate VIEs in which we hold a variable interest and are the primary beneficiary. We have determined that these entities are a VIE as they lack sufficient equity to finance their activities without future subordinated financial support. We are the primary beneficiary because we have the power to direct the activities that most significantly impact the economic performance of these VIEs. As a result, we consolidate the assets and liabilities of these VIEs.

Total assets included on the consolidated balance sheets for our consolidated VIEs as of December 31, 2019 and 2020 were $1.2 billion and $1.2 billion, respectively. Total liabilities included on the consolidated balance sheets for these VIEs as of December 31, 2019 and 2020 were $159 million and $136 million, respectively.

Freight Holding

In July 2018, we created a new majority-owned subsidiary, Uber Freight Holding Corporation (“Freight Holding”). The purpose of Freight Holding is to perform the business activities of the Freight operating segment. The Freight Holding stock held by us was determined to be a variable interest. Freight Holding is also considered to be a VIE because it lacks sufficient equity to finance its activities without future subordinated financial support. Given that we have the power to direct activities that most significantly impact the economic performance of Freight Holding, we are the primary beneficiary of Freight Holding. As a result, we consolidate Freight Holding’s assets and liabilities.

In October 2020, Freight Holding entered into a Series A preferred stock purchase agreement (“Freight Series A Preferred Stock Purchase Agreement”) with Greenbriar Equity Group, L.P. (“Greenbriar”) to sell shares of Series A Preferred Stock (“Freight Series A”). The new investment does not change the conclusion that Freight Holding is a consolidated VIE. As of December 31, 2020, we continue to own the majority of the issued and outstanding capital stock of Freight Holding and report non-controlling interest as further described in Note 17 - Non-Controlling Interests.

Apparate

In April 2019, we contributed certain of our subsidiaries and certain assets and liabilities related to our autonomous vehicle technologies (excluding liabilities arising from certain indemnification obligations related to the Levandowski arbitration and any remediation costs associated with certain obligations that may arise as a result of the Waymo settlement) to Apparate in exchange for common units representing 100% ownership interest in Apparate. The purpose of Apparate is to develop and commercialize autonomous vehicle and ridesharing technologies and Apparate’s results are part of the ATG and Other Technology Programs segment. Subsequent to the formation of Apparate, Apparate entered into a Class A Preferred Unit Purchase Agreement (“Preferred Unit Purchase Agreement”) with SVF Yellow (USA) Corporation (“SoftBank”), Toyota Motor North America, Inc. (“Toyota”), and DENSO International America, Inc. (“DENSO”). Preferred units were issued in July 2019 to SoftBank, Toyota, and DENSO and provided the investors with an aggregate 13.8% initial ownership interest in Apparate on an as-converted basis. The common units held by us in Apparate were determined to be a variable interest. We determined that Apparate is a VIE as it lacks sufficient equity to finance its activities without future subordinated financial support. We have the power to direct the activities that most significantly impact the economic performance of Apparate, and, as a result, we are the primary beneficiary of Apparate, consolidate Apparate’s assets and liabilities and report non-controlling interests as further described in Note 17 - Non-Controlling Interests.

In December 2020, we and Apparate entered into a definitive agreement with Aurora and certain other parties, pursuant to which, through a series of merger transactions, we will sell Apparate to Aurora. On January 19, 2021, we completed the sale of Apparate to Aurora. Refer to Note 21 - Subsequent Events for further information.

Careem Qatar and Morocco

On January 2, 2020, we completed the acquisition of substantially all of the assets of Careem and certain of its subsidiaries pursuant to an asset purchase agreement (the "Asset Purchase Agreement") in countries where regulatory approval was obtained or which did not require regulatory approval. The assets and operations in Qatar and Morocco (collectively "Non-Transferred Countries"), have not yet been transferred to us as of December 31, 2020. Transfer of the assets and operations of the Non-Transferred Countries will be subject to a delayed closing pending timing of regulatory approval. If regulatory approval is not obtained with respect to any Non-Transferred Countries by the nine month anniversary of January 2, 2020, we can divest the net assets of any such remaining Non-Transferred Countries and we will receive all the proceeds from the divestiture of any Non-Transferred Countries. We will continue to seek regulatory approval for Qatar and Morocco. The net assets and operations in Qatar and Morocco are not material.

The purpose of the Non-Transferred Countries' operations is to provide primarily ridesharing services in each respective country. Although the assets and operations of the Non-Transferred Countries were not transferred as of December 31, 2020, we have rights to all residual interests in the entities comprising the Non-Transferred Countries which is considered a variable interest. We are exposed to losses and residual returns of the entities comprising the Non-Transferred Countries through the right to all of the proceeds from either the divestiture or the eventual legal transfer upon regulatory approval of the entities comprising the Non-Transferred Countries. We control Intellectual Properties ("IP") which are significant for the business of Non-Transferred Countries and sub-license those IP to the Non-Transferred Countries. Each entity that comprises the Non-Transferred Countries meets the definition of a VIE and we are the primary beneficiary of each of the entities comprising the Non-Transferred Countries. As a result, we consolidate the entities comprising the Non-Transferred Countries as further described in Note 18 – Business Combinations.

Unconsolidated VIEs

Zomato

Zomato is incorporated in India with the purposes of providing food delivery services. On January 21, 2020, we acquired compulsorily convertible cumulative preference shares ("CCPS Preferred Shares") of Zomato valued at $171 million in exchange for Uber's food delivery operations in India ("Uber Eats India"), and a note receivable valued at $35 million for reimbursement of goods and services tax. Our investment in the CCPS Preferred Shares of Zomato will represent 9.99% of the voting capital upon conversion to ordinary shares. Zomato is a VIE as it lacks sufficient equity to finance its activities without future subordinated financial support. We are exposed to Zomato's economic risks and rewards through our investment and note receivable which represent variable interests, and the carrying values of these variable interests reflect our maximum exposure to loss. However, we are not the primary beneficiary because neither the investment in CCPS Preferred Shares nor the note receivable provide us with the power to direct the activities that most significantly impact Zomato's economic performance. As of December 31, 2020, the carrying amount of assets recognized on the consolidated balance sheet related to our interests in Zomato and our maximum exposure to loss relating to this unconsolidated VIE was approximately $150 million. Refer to Note 19 - Divestitures for further information regarding Zomato and the divestiture of Uber Eats India.

Mission Bay 3 & 4

The Mission Bay 3 & 4 JV refers to ECOP, a joint venture entity established in March 2018, by us and the LLC Partners. We contributed $136 million cash in exchange for a 45% interest in ECOP. Prior to March 31, 2020, any remaining construction costs were to be funded through a construction loan obtained by ECOP where we together with the two LLC Partners guaranteed payments and performance of the loan when it became due and any payment of costs incurred by the lender under limited situations. As of December 31, 2019, the maximum collective guarantee liability was up to $50 million.

We evaluated the nature of our investment in ECOP and determined that ECOP was a VIE during the construction period; however, we were not the primary beneficiary as decisions were made jointly between parties and therefore we did not have the power to direct activities that most significantly impacted the VIE. The investment was determined to be an equity method investment due to our ability to exercise significant influence over ECOP. Refer to Note 4 - Equity Method Investments for further information.

In March 2020, ECOP secured new loans and $91 million was distributed back to us as a return of capital investment. In connection with the repayment of the construction loan by ECOP, the maximum collective guarantee liability of up to $50 million was extinguished. The closing of ECOP's new financing in March 2020, triggered a reconsideration event and we reevaluated if ECOP still met the definition of a VIE. As of March 31, 2020, we determined that ECOP was no longer a VIE as it has sufficient equity to operate without the need for subordinated financial support.

Lime

On May 7, 2020, we entered into the JUMP Divestiture and received the 2020 Lime Investments. Refer to Note 19 - Divestitures for further information on the JUMP Divestiture. Lime is a VIE as it lacks sufficient equity to finance its activities without future subordinated financial support. We are exposed to Lime's economic risks and rewards through our ownership of the 2020 Lime

Investments, which represent variable interests. However, we are not the primary beneficiary of Lime because we lack the power to direct the activities that most significantly impact Lime's economic performance. As of December 31, 2020, the carrying amount of assets recognized on our consolidated balance sheet related to the 2020 Lime Investments of $134 million represents our maximum exposure to loss associated with Lime as an unconsolidated VIE.

Cornershop: CS-Mexico

On July 6, 2020, we closed on a purchase agreement with CS-Global, excluding operating subsidiaries in Mexico ("CS-Mexico"). Refer to Note 18 – Business Combinations for further information. CS-Mexico is a VIE as its equity interests do not fully absorb the entity's expected losses and it lacks sufficient equity to finance its activities without future subordinated financial support. We are exposed to CS-Mexico's economic risks and rewards through: the CS-Mexico Put/Call; an immaterial unsecured note; the contractual rights to 35% of contingent sale proceeds from CS-Mexico under certain conditions; and a market-based fee related to the transition services agreement, all of which represent variable interests held by Uber. However, we are not the primary beneficiary because the variable interests do not provide us with the power to direct the activities that most significantly impact CS-Mexico's economic performance. As of December 31, 2020, the carrying amount of assets (primarily the CS-Mexico Put/Call and unsecured note) recognized on the consolidated balance sheet related to our interests in CS-Mexico is $28 million and our maximum exposure to loss relating to this unconsolidated VIE were approximately $23 million. In December 2020, we received approval from Mexico's antitrust regulator to complete the CS-Mexico transaction. On January 11, 2021, we completed the transaction and acquired a 55% ownership interest in CS-Mexico by exercising our call option through the CS-Mexico Put/Call agreement. Refer to Note 21 - Subsequent Events for further information.

Note 17 - Non-Controlling Interests

We have several consolidated subsidiaries that have issued common stock and preferred stock or preferred units to third party investors, representing non-controlling interests. As of December 31, 2019 and 2020, the amounts of non-controlling interests represented by subsidiaries' preferred units and preferred stock were $1.0 billion and $1.3 billion, respectively.

ATG Investment: Preferred Unit Purchase Agreement

In July 2019, we closed a Preferred Unit Purchase Agreement with SoftBank, Toyota, and DENSO (collectively "the Investors") for purchase by the Investors of Class A Preferred Units ("Preferred Units") in Apparate. Apparate, a subsidiary of ours, issued 1.0 million Preferred Units at $1,000 per unit to the Investors for an aggregate consideration of $1.0 billion ($400 million from Toyota, $333 million from SoftBank, and $267 million from DENSO). As of December 31, 2020, the Preferred Units represented an aggregate 14.2% ownership interest in Apparate on an as-converted basis. As of December 31, 2020, we have retained the remaining 85.8% ownership interest. SoftBank and Toyota are our existing investors.

At the option of the Investors, the Preferred Units are convertible into common units of Apparate, initially on a one-for-one basis but subject to potential adjustment, as defined by the Preferred Unit Purchase Agreement at any time. The Preferred Units are entitled to certain distributions, including primarily dividends which are payable in cash or in-kind (at Apparate's discretion), and accrue quarterly, compounded on the last day of each quarter at a 4.5% annual rate. The Preferred Units are entitled to distributions upon the occurrence of a sale or liquidation of Apparate representing an amount that is equal to the greater of (i) the original investment plus any accrued but unpaid amounts, and (ii) their share of distributions assuming conversion to common units of Apparate immediately prior to the sale or liquidation event. The quarterly dividend, along with any attributed prorated share of Apparate's net income (if applicable), are included in net income (loss) attributable to non-controlling interests, net of tax in our consolidated statements of operations. The Preferred Units do not participate in net losses due to a liquidation preference.

SoftBank's Preferred Units

Beginning on July 2, 2026, SoftBank has the option to put to us all, but not less than all, of its initial investment in Preferred Units at a price equal to the number of SoftBank's Preferred Units multiplied by the greater of (i) the original investment plus any accrued but unpaid amounts per unit and (ii) the fair value of the Preferred Units at the time of conversion (the "Put/Call Price"). Beginning on July 2, 2026, we can call all, but not less than all, of the Preferred Units held by SoftBank at the Put/Call Price. We have the option to settle all, or a portion of, the Put/Call Price with its common stock and any remainder will be satisfied in cash. The put and call were determined to be embedded features within the SoftBank Preferred Units since they are not separately exercisable or legally detached from the SoftBank Preferred Units.

As of December 31, 2019 and 2020, the SoftBank Preferred Units are classified as redeemable non-controlling interests in our consolidated financial statements and reported at the Put/Call Price which is determined as of each balance sheet date. The initial fair value of SoftBank's Preferred Units was determined based on a hybrid method with the option pricing model as the primary methodology. This method used Level 3 fair value measurement inputs as well as an assumed equal probability of the occurrence of a liquidation or exit event. The significant unobservable inputs used in the initial fair value measurement include: volatility of 42%, time to liquidity of 5 years, and a discount for lack of marketability of 17%. A market approach was also used to corroborate the valuation derived from the hybrid method at issuance to evidence that the issuance price of the Preferred Units approximated their fair value. There were no fair value adjustments to SoftBank's redeemable non-controlling interests during the years ended December 31, 2019 and 2020.

Toyota and DENSO's Preferred Units

As of December 31, 2019 and 2020, the Toyota and DENSO Preferred Units are classified in permanent equity as non-controlling interests as these units are not subject to any mandatory redemption rights or redemption rights that are outside our control.

ATG Collaboration Agreement with Apparate, Toyota and DENSO

In conjunction with the Preferred Unit Purchase Agreement discussed above, we entered into a three-year joint collaboration agreement among Toyota, DENSO, and Apparate to develop next-generation self-driving technology (the "ATG Collaboration Agreement"), which became effective as of the closing of the Preferred Unit Purchase Agreement in July 2019. Toyota will make cash payments to Apparate up to an aggregate of $300 million, payable in six semi-annual installments during the three-year term of the ATG Collaboration Agreement. The cash payments for each six-month period are contingent upon the mutual agreement between the parties on the development activities and milestones to be achieved in the next six months and the continuation of the ATG Collaboration Agreement. The ATG Collaboration Agreement is within the scope of ASC 808, Collaborative Arrangements. The development activities are considered ongoing and central to the activities of ATG. As a result, the amounts received from Toyota are recognized as collaboration revenue in the ATG and Other Technology Programs segment ratably over the respective six-month service period to which each payment relates, as the related development activities are performed. During the years ended December 31, 2019 and 2020, we recognized $42 million and $100 million, respectively, as revenue under the ATG Collaboration Agreement.

Pending Sale of ATG Business

In December 2020, we and Apparate entered into a definitive agreement with Aurora and certain other parties pursuant to which through a series of merger transactions we will sell Apparate to Aurora. The sale will result in the derecognition of non-controlling interest in Apparate. Refer to Note 9 – Assets and Liabilities Held for Sale for further information.

Freight Holding

As of December 31, 2019 and 2020, we owned 89% and 85%, respectively, of the issued and outstanding capital stock of our subsidiary Freight Holding, or 80% and 79%, respectively, on a fully-diluted basis if all common shares reserved for issuance under our Freight Holding employee incentive plan were issued and outstanding. Under the Freight Holding incentive plan, a total number of 99.8 million shares of Freight Holding are reserved and 83.8 million shares are available for grant and issuance.

As of December 31, 2019 and 2020, the minority stockholders ownership in Freight Holding is classified in mezzanine equity as redeemable non-controlling interest, because it is redeemable on an event that is not solely in our control. The Freight Holding non-controlling interest is not accreted to redemption value because it is currently not probable that the non-controlling interest will become redeemable.

Holders of Common Stock of Freight Holding

The minority common stockholders of our subsidiary Freight Holding, including any holders of common equity awards issued under the employee equity incentive plans and employees who hold fully vested shares, have put rights to sell certain of their equity interests at fair value to us at specified periods of time that terminates upon the earliest of the closing of a liquidation transaction or an IPO of the subsidiary. Should the put rights be exercised, they can be satisfied in either cash, Uber stock, or a combination of cash and Uber stock based upon our election.

We attribute the pro rata share of the Freight Holding's net income or loss available to holders of common stock to the redeemable non-controlling interests generated from common shares of Freight Holding based on the outstanding ownership of the minority shareholders of common shares during the period.

Greenbriar Freight Preferred Series A Investment in Freight Holding

In October 2020, Freight Holding entered into a Freight Series A Preferred Stock Purchase Agreement with Greenbriar. Pursuant to the Freight Series A Preferred Stock Purchase Agreement, Greenbriar agreed to invest an aggregate of $500 million in Freight Holding, which will occur over a number of closings, subject to customary closing conditions.

On October 6, 2020, the initial closing occurred pursuant to the Freight Series A Preferred Stock Purchase Agreement and Greenbriar invested $250 million in exchange for 124,744,896 shares of Freight Series A units, representing approximately 8% ownership interest on a basic and fully diluted basis.

Greenbriar has the option to purchase additional shares in tranches of at least $50 million at a time at the initial purchase price for two years following initial closing up to an additional aggregate $250 million. This right to continue to invest at the initial price over two years is a forward obligation classified as a liability measured at fair value which was initially valued using a two-year discount rate and is immaterial. We will maintain majority ownership of the issued and outstanding capital stock of Freight Holding following such additional investment. Upon the passage of two years from initial close, Greenbriar must purchase and Freight Holding must issue any remaining unissued additional shares at the purchase price. Greenbriar holds one seat on the Freight Holding board of director as of December 31, 2020.

As of December 31, 2020, we retain the 85% ownership interest of Freight Holding following the closing of the Freight Series A Preferred Stock Purchase Agreement.

We do not attribute the pro rata share of the Freight Holding's loss to the redeemable non-controlling interests in Series A Preferred shares of Freight Holding because these shares are entitled to a liquidation preference and therefore do not participate in losses that would cause their interest to be below the liquidation preference. Upon liquidation, the Freight Series A units are entitled to the greater of either (i) a 1.5x liquidation preference on their initial investment, as well as 6% continuously compounding cumulative dividends that will be paid before any distribution to common shareholders or (ii) the fair value of their investment (the "Freight Series A Liquidation Preference"). The dividend, along with any attributed prorated share of Freight Holding's net income (if applicable), are included in net income (loss) attributable to non-controlling interests, net of tax in our consolidated statements of operations.

Greenbriar's Freight Series A units may be called by us at our option after the passage of five years at the Freight Series A Liquidation Preference. Beginning after three years, if a series of events occur including Freight Holding not consummating an IPO, Greenbriar's Freight Series A could become redeemable at the Freight Series A Liquidation Preference upon the passage of five years. Upon redemption, Greenbriar's Freight Series A would be settled in either cash or Uber common shares at our option.

Cornershop: CS-Global

On July 6, 2020, we closed the acquisition of a 55% controlling ownership interest in CS-Global. Refer to Note 18 – Business Combinations for further information. As of December 31, 2020, the non-controlling interest in CS-Global is classified in mezzanine equity as redeemable non-controlling interest because it is subject to a put/call agreement which is not solely in our control to exercise. At each balance sheet date, the redeemable non-controlling interest will be measured using a discounted cash flow methodology and the carrying value will be adjusted if the fair value is higher than the carrying value. The initial fair value, as of the acquisition date of July 6, 2020, was $290 million. There were no fair value adjustments to CS-Global's redeemable non-controlling interest during the year ended December 31, 2020.

Note 18 – Business Combinations

Careem

On March 26, 2019, we entered into an Asset Purchase Agreement with Careem. Pursuant to the Asset Purchase Agreement, we agreed to acquire substantially all of the assets and assume substantially all of the liabilities of Careem.

On January 2, 2020, we completed the acquisition of substantially all of the assets of Careem. Dubai-based Careem was founded in 2012, and provides primarily ridesharing and to a lesser extent meal delivery, and payments services to millions of users in cities across the Middle East, North Africa, and Pakistan. The acquisition has been accounted for as a business combination and advances our strategy of having a leading ridesharing category position in every major region of the world in which we operate and effect cost and technology synergies for the rest of Uber's Mobility business. As of December 31, 2020, ownership of Careem's operations in Qatar and Morocco had not yet been transferred to us; however the results of operations and net assets were fully consolidated as variable interest entities. Refer to Note 16 - Variable Interest Entities ("VIEs") for further information.

The acquisition date fair value of the consideration transferred for Careem was $3.0 billion, which consisted of the following (in millions):

		Fair Value
Cash paid on January 2, 2020	$	1,326
Non-interest bearing unsecured convertible notes		1,634
Transaction costs paid on January 2, 2020 on behalf of Careem		39
Contingent cash consideration		1
Stock-based compensation awards attributable to pre-combination services		3
Total consideration	$	3,003

The fair value of the non-interest bearing unsecured convertible notes (the "Careem Notes") was determined as a sum of the discounted cash flow ("DCF") method (for the present value of the principal amount of the Careem Notes) and the Black-Scholes option pricing model (to value the conversion option). The significant unobservable inputs used in the fair value measurement include discount rates of 5.14% to 5.19% for the principal amount of the Careem Notes and for the conversion option an expected volatility of 42.1% to 44.1%, interest rates of 1.53% to 1.57%, and dividend yield of 0%. We will issue the Careem Notes in different tranches with $880 million of the principal amount of the Careem Notes issued on January 2, 2020 and settled in cash on April 1, 2020. The remaining amount of the Careem Notes is recognized as a commitment to issue unsecured convertible notes at fair value in accrued and other current liabilities and in other long-term liabilities. Refer to Note 10 - Supplemental Financial Statement Information for further information. Each tranche of the Careem Notes is due and payable 90 days once issued. The holders of the Careem Notes may elect to convert the full outstanding principal balance to Class A common stock at a conversion price of $55 per share of Uber Technologies, Inc. at any time prior to maturity. The discount from the Careem Notes face value to fair value will be accreted through the respective repayment dates as interest expense. The amount of accretion for the year ended December 31, 2020 was not material.

The following table summarizes the fair value of assets acquired and liabilities assumed as of the date of acquisition (in millions):

	Fair Value
Current assets	$ 43
Goodwill	2,483
Intangible assets	540
Other long-term assets	77
Total assets acquired	3,143
Current liabilities	(108)
Deferred tax liability	(13)
Other long-term liabilities	(19)
Total liabilities assumed	(140)
Net assets acquired	$ 3,003

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill which is not deductible for tax purposes. Goodwill is primarily attributed to the assembled workforce of Careem and anticipated operational synergies. Goodwill was recorded in our Mobility segment. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions at the time of acquisition.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in millions, except years):

	Fair Value	Weighted Average Remaining Useful Life - Years
Rider relationships	$ 270	15
Captains network	40	1
Developed technology	110	4
Trade names	120	10
Total	$ 540	

Rider relationships represent the fair value of the underlying relationships with Careem riders. Captains network represents the fair value of the underlying network with Careem drivers (called "Captains"). Developed technology represents the fair value of Careem's technology. Trade names relate to the "Careem" trade name, trademarks, and domain names. The overall weighted average useful life of the identified amortizable intangible assets acquired is ten years.

The estimated fair value of the intangible assets acquired was determined by our management, using a multi-period excess earnings method to estimate the fair value of the rider relationships. The significant unobservable input used in the fair value measurement of rider relationships is the riders attrition rate. We used the replacement cost method to estimate the fair value of the Captains network and the relief from royalty method to estimate the fair values of developed technology and trade names.

Tangible net assets were valued at their respective carrying amounts as of the acquisition date, as we believe that these amounts approximate their current fair values. We believe the amounts of purchased intangible assets recorded above represent the fair values of, and approximate the amounts a market participant would pay for, these intangible assets as of January 2, 2020.

The Asset Purchase Agreement provides for specific indemnities to us in relation to value added tax obligations and other tax reserves of certain jurisdictions which reflect potential tax liabilities. We recognized $64 million of indemnification assets on the same basis as the tax reserves at January 2, 2020, which is recorded as other assets and other liabilities on our consolidated balance sheet. Settlements of these tax reserves, if any, will be funded by the indemnification asset.

The results of the acquired operations were included in our consolidated financial statements from the date of acquisition, January 2, 2020. For the period from January 2, 2020 through December 31, 2020, Careem contributed to a loss before income taxes of $218 million. Revenue for the period from January 2, 2020 through December 31, 2020 was not material.

Cornershop

In 2019, as a strategic move of entering into grocery delivery market, we agreed to purchase a controlling interest in Cornershop Cayman ("Cornershop"), operating an online grocery delivery platform primarily in Chile and Mexico. During 2019, we made an initial investment of $50 million (the "Initial Cornershop Investment"). The remaining investment was subject to antitrust approval of the countries where Cornershop operates.

During the second quarter of 2020, we received regulatory approvals, except for Mexico. As a result, we and Cornershop amended the terms of the agreement in order for Uber to acquire Cornershop's business operations, except for those in Mexico. Immediately prior to the transaction close, Cornershop was restructured such that the Mexico operations were held in Cornershop Technologies LLC and its wholly owned subsidiary (collectively referred to as "CS-Mexico"), while all of the remaining Cornershop operations were to be held in the newly created CS-Global entity.

On July 6, 2020, we closed the purchase agreement to acquire CS-Global, resulting in an Uber direct capital contribution of $200 million, which includes the Initial Cornershop Investment and notes receivable, to CS-Global and a payment of $179 million to tendering shareholders, paid in a combination of cash and 2,055,038 shares of our common stock. The Initial Cornershop Investment was remeasured immediately prior to the acquisition of CS-Global, and based on the Cornershop business value and Uber's pre-acquisition ownership percentage, the new value was not materially different from the previously recognized amount. Thus the Initial Cornershop Investment is determined at the original $50 million. In exchange for the consideration transferred, we received 15,642,523 Preferred C Membership Interests in CS-Global, representing 55% of the outstanding membership interests. As a result, we obtained the controlling financial interest in CS-Global and accounted for the acquisition as a business combination. For additional information on the accounting treatment of the remaining non-controlling interest in CS-Global, refer to Note 17 - Non-Controlling Interests. Uber and CS-Global also entered into a put/call arrangement over the non-controlling interest in CS-Global, providing Uber the right and obligation to acquire the remaining interest from non-controlling interest holders, exercisable in 5 years if there is no IPO or liquidation event, at a future negotiated price.

Concurrent with the CS-Global Transaction, Uber, Cornershop and CS-Global entered into a put/call agreement providing CS-Global with the right through the call option (and obligation through the put option held by Cornershop) to purchase all of the interests in CS-Mexico, contingent upon the receipt of regulatory approval in Mexico ("CS-Mexico Put/Call"). Upon either the exercise of the call option (by CS-Global) or the put option (by Cornershop), CS-Global would acquire 100% of the outstanding equity interests in CS-Mexico. Uber would make a direct capital contribution to CS-Global and a payment to the tendering shareholder, totaling $94 million, in exchange for 55% outstanding equity interest in CS-Mexico. The CS-Mexico Put/Call was accounted for separately from the acquisition, and was included in other current assets on the consolidated balance sheet as of December 31, 2020.

The acquisition date fair value of the consideration transferred for CS-Global was $362 million, which consisted of the following (in millions):

	Fair Value
Initial Cornershop Investment	$ 50
Notes receivable	10
Cash paid	253
Tender offer paid in Uber common stock	67
Total consideration transferred	380
Less: CS-Mexico Put/Call	(18)
Total consideration	$ 362

The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the date of acquisition (in millions):

	Fair Value
Current assets	$ 204
Goodwill	384
Intangible assets	122
Other long-term assets	11
Total assets acquired	721
Current liabilities	(34)
Deferred tax liability	(33)
Other long-term liabilities	(2)
Total liabilities assumed	(69)
Less: Redeemable non-controlling interests	(290)
Net assets acquired	$ 362

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill which is not deductible for tax purposes. Goodwill is primarily attributed to the anticipated operational synergies. Goodwill was recorded in our Delivery segment. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions at the time of acquisition, and are updated to reflect the most recent changes.

The fair value of the redeemable non-controlling interest of $290 million was estimated based on the non-controlling interest's respective share of the CS-Global enterprise value.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in millions, except years):

	Fair Value	Weighted Average Remaining Useful Life - Years
Vendor relationship	$ 20	15
Shopper relationship	1	1
Customer relationship	14	5
Developed technology	58	4
Trade names	29	5
Total	$ 122	

Vendor, shopper and customer relationships represent the fair value of the underlying relationships with Cornershop vendors (such as grocery stores and supermarkets), shoppers and end-users. Developed technology represents the fair value of the technologies and systems behind CS-Global's grocery delivery application. Trade names relate to the "Cornershop" trade name, trademarks, and domain names. The overall weighted average useful life of the identified amortizable intangible assets acquired is six years.

The estimated fair value of the intangible assets acquired was determined by our management, using a multi-period excess earnings method to estimate the fair value of the vendor relationship. The significant unobservable input used in the fair value measurement of vendor relationship is the vendor attrition rate. We used the replacement cost method to estimate the fair value of shopper and customer relationships. The assumptions used are shopper hiring and onboarding costs, and customer development costs, respectively. We used the relief from royalty method to estimate the fair values of developed technology and trade names. The significant input used in the fair value measurement of developed technology and trade names is the royalty rate that a market participant would charge for the use of such assets.

Tangible net assets were valued at their respective carrying amounts as of the acquisition date, as we believe that these amounts approximate their current fair values. We believe the amounts of purchased intangible assets recorded above represent the fair values of, and approximate the amounts a market participant would pay for, these intangible assets as of July 6, 2020.

The results of CS-Global were included in our consolidated financial statements from the date of acquisition, July 6, 2020. For the period from July 6, 2020 through December 31, 2020, CS-Global contributed an immaterial amount of revenue and loss before taxes.

Routematch

On July 14, 2020 (the "Routematch Acquisition Date"), we acquired 100% of the equity of Routematch, a software company offering specialized software and solutions to transit agencies, serving customers in the United States and Australia. The acquisition is expected to accelerate our development in the transit space. The acquisition of Routematch was accounted for as a business combination. Total consideration transferred included $85 million in cash and $29 million in Uber shares (939,683 shares of our common stock). The purchase price of $114 million was allocated to goodwill of $91 million and to certain identifiable intangible assets (comprised of customer relationships, developed technology and trademark) of $27 million.

Goodwill represents the excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired, which is not deductible for tax purposes. Goodwill is primarily attributed to the anticipated operational synergies and was recorded in our Mobility segment.

Amortization of the identified amortizable intangible assets is calculated using the straight-line method. The overall weighted average useful life of the identified amortizable intangible assets acquired is eight years.

The results of Routematch were included in our consolidated financial statements from the date of acquisition, July 14, 2020. For the period from July 14, 2020 through December 31, 2020, Routematch contributed an immaterial amount of revenue and loss before taxes.

Postmates

On July 5, 2020, we entered into an Agreement and Plan of Merger to acquire 100% ownership interest in Postmates, Inc. ("Postmates"), an on-demand delivery platform in the U.S.

On December 1, 2020, we completed the acquisition of Postmates, bringing together our global Mobility and Delivery platform with Postmates' distinctive delivery business in the U.S. As a result of the transaction, we obtained ownership interest in Postmates through our voting rights, and the transaction has been accounted for as a business combination. The acquisition date fair value of the consideration transferred for Postmates was approximately $3.9 billion, which consisted of the following (in millions):

	Fair Value
Uber common stock transferred	$ 3,494
Note receivable	100
Stock-based compensation awards attributable to pre-combination services	308
Total consideration	$ 3,902

The fair value of the $3.5 billion common stock issued (70,401,550 shares of our common stock), as consideration transferred was determined on the basis of the closing market price of our common stock on the acquisition date. We determined the fair value of the equity awards for stock options assumed using a Black-Scholes option pricing model with the applicable assumptions as of the acquisition date. The fair value of equity awards for RSUs was determined by using the closing market price of our common stock on the acquisition date adjusted by an exchange ratio.

The purchase price allocation is preliminary and is subject to revision as more detailed analyses are completed and additional information about the fair value of assets acquired and liabilities assumed, including related deferred income taxes, become available.

The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the date of acquisition (in millions):

	Fair Value
Cash and cash equivalents	$ 52
Other current assets	58
Goodwill	3,149
Intangible assets	1,015
Other long-term assets	57
Total assets acquired	4,331
Accounts payable	(109)
Accrued and other current liabilities	(265)
Deferred tax liability	(21)
Other long-term liabilities	(34)
Total liabilities assumed	(429)
Net assets acquired	$ 3,902

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is not deductible for tax purposes. Goodwill is primarily attributed to the assembled workforce of Postmates and anticipated operational synergies. Goodwill was assigned to our Delivery segment. The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions at the time of acquisition.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in millions, except years):

	Fair Value	Weighted Average Remaining Useful Life - Years
Merchant relationship	$ 260	7
Fleet relationship	110	1.5
Consumer relationship	280	5
Developed technology	280	2
Trade names	30	3
IPR&D	55	N/A
Total	$ 1,015	

Consumer, merchant and fleet relationships represent the fair value of the underlying relationships with merchants (such as restaurants), Postmates end-users, and Postmates couriers (referred to as "fleet"). Developed technology represents the fair value of

Postmates' technology. Trade names relate to the "Postmates" trade name, trademarks, and domain names. The overall weighted average useful life of the identified amortizable intangible assets acquired is four years.

The estimated fair value of the intangible assets acquired was determined by our management, using a multi-period excess earnings method to estimate the fair value of the consumer and merchant relationships. The significant unobservable inputs used in the fair value measurement of the consumer and merchant relationships are the estimated attrition rates and profit and loss allocated to identified customer and merchant relationships. We used the replacement cost method to estimate the fair value of the fleet relationship and IPR&D. The significant unobservable input used in the fair value measurement of fleet relationship is the time to recreate. We used the relief from royalty method to estimate the fair value of developed technology and trade names. The significant unobservable input used in the fair value measurement of developed technology and trade names is the royalty rates that a market participant could charge for use of such assets. The intangible assets recorded represent the fair values of, and approximate the amounts a market participant would pay for these intangible assets at the acquisition date.

Tangible net assets were valued at their respective carrying amounts as of the acquisition date, as these amounts approximate their fair values.

The results of Postmates were included in our consolidated financial statements from the date of acquisition, December 1, 2020. For the period from December 1, 2020 through December 31, 2020, Postmates contributed an immaterial amount of revenue and loss before taxes.

Certain Unaudited Pro Forma Information

During 2020, we acquired Careem, CS-Global, Routematch and Postmates (the "2020 Acquired Businesses"). The following unaudited pro forma financial information presents what our results would have been had the 2020 Acquired Businesses been acquired on January 1, 2019. The unaudited pro forma information presented below is for informational purposes only and is not necessarily indicative of our consolidated results of operations of the consolidated business had each acquisition actually occurred at the beginning of fiscal year 2019 or of the results of our future operations of the consolidated business.

	Year Ended December 31,	
(In millions)	2019	2020
	(Unaudited)	
Revenue	$ 13,410	$ 11,715
Net loss including non-controlling interests	(9,739)	(7,377)

The pro forma financial information includes adjustments to net loss including non-controlling interests to reflect the additional amortization that would have been recorded assuming the fair value adjustments to intangible assets had been applied from January 1, 2019, with the related tax effects.

Note 19 - Divestitures

During the years ended December 31, 2018, 2019 and 2020, we completed the following divestitures:

- In 2018, these divestitures consisted of the disposition, with a retained interest, of our Uber Russia/CIS operations and the sale of our Southeast Asia operations.
- In 2019, these divestitures consisted of the disposition of our Lion City Rentals business operations.
- In 2020, these divestitures consisted of the sale of the our Uber Eats India operations, the disposition of all assets of our JUMP business, and the sale of our European Freight business to Sennder.

The gains (losses) associated with these divestitures were included in other income (expense), net in the consolidated statements of operations.

MLU B.V. and Uber Russia/CIS Operations

During the first quarter of 2018, we closed a transaction that contributed the net assets of our Uber Russia/CIS operations into a newly formed private limited liability company, MLU B.V., with Yandex and our holding ownership interests in MLU B.V. We contributed $345 million of cash, contracts in the region including Rider, Mobility Driver, and Eater contracts, and certain employees in the region to MLU B.V. We concurrently issued approximately 2 million shares of Uber Class A common stock, with a fair value of $52 million to MLU B.V.'s parent, Yandex. These shares were subject to a put/call feature resulting in our contingent obligation to buy back these shares at $48 per share. The put/call feature became exercisable at any time by either party from when it became effective in February 2019 through February 2022, at which point, if unexercised, the put/call right would expire. In December 2019, Yandex exercised the put feature which caused us to repurchase all Yandex owned shares of Uber Technologies, Inc. Class A common stock. We subsequently retired the shares.

We performed an evaluation to determine if the sale constituted discontinued operations and concluded that the sale did not represent a major strategic shift, primarily because the Uber Russia/CIS operations did not materially affect our consolidated assets, revenue or loss from operations. In addition, we determined the sale constituted the sale of a business in accordance with ASC 805.

In exchange for consideration contributed, we received a seat on MLU B.V.'s board and an initial 38% equity ownership interest consisting of common stock in MLU B.V. The investment was determined to be an equity method investment due to our ability to exercise significant influence over MLU B.V. Refer to Note 4 - Equity Method Investments for further information.

As a result of the loss of control over Uber Russia/CIS resulting from the transaction, we derecognized the assets and liabilities of Uber Russia/CIS and recorded a $954 million gain during the year ended December 31, 2018 recognized in other income (expense), net in the consolidated statements of operations.

The following table presents the gain on disposition related to the divestiture of Uber Russia/CIS during the year ended December 31, 2018 (in millions):

	Year Ended December 31, 2018
Fair value of consideration received	$ 1,410
Cash consideration contributed, net of working capital adjustments	(334)
Share consideration in Class A common stock contributed	(52)
Other	(57)
Net consideration received for sale of Uber Russia/CIS	967
Carrying value of net assets transferred	(13)
Gain on disposition	$ 954

Included in the initial carrying value of the investment in MLU B.V. of $1.4 billion, which represented the fair value of the investment (as consideration received) on the transaction date, was a basis difference of $908 million related to the difference between the cost of the investment and our proportionate share of the net assets of MLU B.V.

Southeast Asia

On March 25, 2018, two of our wholly-owned subsidiaries signed and completed an agreement with Grab pursuant to which Grab hired employees and acquired certain of our assets in the region, including Rider, Mobility Driver, and Eater contracts in Southeast Asia. The net assets contributed by us were not material. We determined the sale constituted the sale of business in accordance with ASC 805. The investment was determined to be an investment in a debt security which we classified as available-for-sale, initially recorded at fair value of $2.2 billion. Upon closing, our Chief Executive Officer joined Grab's board of directors and compensation committee. In exchange, we received 401 million shares of Grab Series G preferred stock on the closing date of the transaction and 8 million additional Grab Series G preferred stock during 2018 related to the resolution of certain post-close contingencies, for a total of 409 million shares representing 23.2% of the outstanding share capital of Grab as of December 31, 2018. In addition, based on the agreement, 3 million shares remained subject to the post-close contingency as of December 31, 2018, and the remaining number of shares were immaterial as of December 31, 2019. The shares received were recorded at fair value as additional sale consideration. As a result of the transaction, we recorded a $2.3 billion gain during the year ended December 31, 2018 in other income (expense), net in the consolidated statements of operations.

The Grab Series G preferred stock ("the Grab investment") includes a redemption right, under which we, subject to certain conditions, including the absence of a Grab IPO, may put all or a portion of our investment back to Grab any time after the redemption date (defined as June 29, 2023) for cash. The redemption price is equal to the sum of the issue price of $5.54 with any declared but unpaid dividends, and compounded interest of 6% per annum on the issue price. The compounded interest represents contractual interest receivable on the Grab investment generally due at the redemption date. The Grab investment meets the definition of a debt security due to the redemption feature of the invested shares that are not in-substance common stock. As a result, the Grab investment is classified as an available-for-sale debt security initially recorded at fair value, with changes in the fair value of the investment recorded in other comprehensive income (loss), net of tax. Refer to Note 3 - Investments and Fair Value Measurement for further information.

There is significant uncertainty over the collectability of the contractual interest receivable on the Grab investment and as a result we have elected to apply a non-accrual policy to this investment. In determining whether a non-accrual policy is appropriate, we considered, among other factors, the reasonable possibility of a Grab IPO, the ability of Grab to pay the accumulated interest on all preferred securities on or after the redemption date, and the likelihood of a redemption occurring. If we had recorded accrued interest on the Series G preference shares, we would have recognized additional interest income of $102 million, $142 million and $151 million for the years ended December 31, 2018, 2019 and 2020, respectively.

Related Party Transactions with Grab and MLU B.V.

In August 2018, we entered into a purchase agreement ("Grab Vehicle Purchase Agreement") to sell up to 1,900 vehicles to Grab from the pool of assets held for sale by LCR, our wholly-owned vehicle solutions subsidiary based in Singapore. The sales occurred over a six-month period beginning August 2018. During the year ended December 31, 2018, we transferred certain vehicles to Grab in exchange for SGD 31 million of cash consideration and recognized a loss on disposal of SGD 9 million. In January 2019, we transferred the remaining vehicles under the Grab Vehicle Purchase Agreement to Grab in exchange for SGD 39 million of cash consideration. We and Grab executed a Transition Service Agreement ("TSA") which required us to provide transaction and integration services to Grab for a period of up to six months subsequent to the closing of the divestiture. In addition, we entered into a TSA with MLU B.V. to provide certain transition services subsequent to the closing of the transaction. Transactions related to the TSAs did not have material impacts on our financial position, results of operations, or liquidity.

Divestiture of LCR to Waydrive

During 2018, we started exploring strategic options for the sale of LCR and concluded that LCR met all of the held for sale criteria as of December 31, 2018. During the year ended December 31, 2018, we recognized an impairment loss in general and administrative expenses of $197 million in the consolidated statements of operations to adjust the fair value of the assets and liabilities, primarily as a result of the passage of time and the reduction in fair value of vehicles held for sale.

In January 2019, an agreement was executed with Waydrive Holdings Pte. Ltd. ("Waydrive") to purchase the LCR business, specifically 100% of the equity interests of LCR and its subsidiary LCRF Pte. Ltd. ("LCRF"). Fair value of consideration received included $310 million of cash for the assets and liabilities of LCR and LCRF and up to $33 million of contingent consideration receivable for certain VAT receivables and receivables from certain commercial counterparties. As of December 31, 2020, we collected substantially all of the contingent consideration receivable. The resulting gain on disposal was not material to us. The transaction closed on January 25, 2019. The LCR business was included within our Mobility segment.

Divestiture of Uber Eats India to Zomato

On January 21, 2020, we entered into a definitive agreement and completed the divestiture of Uber Eats India to Zomato in exchange for (i) CCPS Preferred Shares of Zomato convertible into ordinary shares representing, when converted, 9.99% of the total voting capital of Zomato and (ii) a non-interest bearing note receivable to be repaid over the course of four years for reimbursement by Zomato of goods and services tax. The estimated fair value of the consideration received included the investment valued at $171 million and the $35 million of reimbursement of goods and services tax receivable from Zomato. As of December 31, 2020, we collected $17 million of the receivable. The fair value of the CCPS Preferred Shares was based primarily on the observed transaction price for a similar security issued to new investors in close proximity to the time of our transaction with Zomato. The transaction resulted in a gain on disposal of $154 million recognized in other income (expense), net in the consolidated statements of operations during the first quarter of 2020. The income tax effect of the sale was not material. The divestiture of Uber Eats India did not represent a strategic shift that would have had a major effect on our operations and financial results, and therefore does not qualify for reporting as a discontinued operation for financial statement purposes.

Divestiture of JUMP and Investment in Lime

On May 7, 2020, we entered into a series of transactions and agreements with Lime to divest our JUMP business (the "JUMP Divestiture"). Neutron Holdings, Inc. ("Lime") is incorporated in Delaware for the purpose of owning and operating a fleet of dockless e-bikes and e-scooters for short-term access use by consumers for personal transportation. We previously held Lime Series C preferred stock and fully vested warrants to purchase Lime Series C-1 preferred stock.

Uber contributed hardware, equipment, intellectual property rights, technology, licensed technology, and permits of our JUMP business (collectively, "JUMP Assets") in certain markets to Lime. JUMP Assets and previously held investments and warrants in Lime were exchanged for common stock (the "Lime Common Stock"), newly issued Lime Series 1-C preferred stock ("Lime 1-C Preferred Stock") and fully vested warrants to purchase Lime Series 1-C Preferred Stock ("Lime 1-C Preferred Stock Warrants"). Lime Common Stock represents approximately 11% of fully-diluted (23% undiluted) ownership interest in Lime as of December 31, 2020.

Concurrently, we contributed $85 million of cash to Lime in exchange for a secured note convertible into Lime Series 3 Preferred Stock (the "Lime Convertible Note"), which may be converted at any time at our election representing 20% initial ownership in Lime as converted on a fully-diluted basis. In addition, we entered into a call option agreement which gives us for a two-year period beginning May 7, 2022 the right to acquire all of the outstanding equity interests of Lime held by its shareholders at fair value on the date of exercise, subject to regulatory approval. We have one seat on Lime's five-person board of directors. We also amended our preexisting commercial agreement with Lime.

Our ownership in Lime is comprised of Lime Common Stock, Lime 1-C Preferred Stock, Lime 1-C Preferred Stock Warrants, and the Lime Convertible Note (collectively, the "2020 Lime Investments") and represents approximately 32% on an as converted and fully-diluted basis as of December 31, 2020. The 2020 Lime Investments are accounted for under the fair value option. Refer to Note 3

- Investments and Fair Value Measurement for additional information. Lime was assessed under the VIE model and considered an unconsolidated VIE. Refer to Note 16 - Variable Interest Entities ("VIEs") for additional information.

The JUMP Divestiture did not represent a strategic shift that would cause a major effect on our operations and financial results, and therefore does not qualify for reporting as a discontinued operation for financial reporting purposes. The resulting loss on disposal was not material to us and was recorded in other income (expense), net, in the consolidated statements of operations during the second quarter of 2020.

Note 20 – Restructuring and Related Charges

During the second quarter of 2020, we initiated and completed certain restructuring activities in order to reduce our overall cost structure in response to the economic challenges and uncertainty resulting from the COVID-19 pandemic and its impact on our business. We also exited the JUMP business and incurred costs related to site closures, asset impairments and write-offs. Restructuring activities during the years ended December 31, 2018 and 2019 were not material.

The following table presents the total restructuring and related charges associated with our segments as well as corporate charges (in millions):

	Year Ended December 31, 2020
Mobility	$ 67
Delivery	32
Freight	7
ATG and Other Technology Programs	59
All Other [(1)]	116
Total restructuring and related charges by segment	281
Corporate G&A and Platform R&D	81
Total restructuring and related charges	$ 362

(1) Includes restructuring and related charges associated with the exit of the JUMP business, including severance and other termination benefits of $30 million, site closure costs of $21 million and other costs of $65 million.

The following table presents the total restructuring and related charges, by function (in millions):

	Year Ended December 31, 2020
Operations and support	$ 172
Sales and marketing	21
Research and development	85
General and administrative	84
Total	$ 362

The following table provides the components of and changes in our restructuring and related charges accrual during the year ended December 31, 2020 (in millions):

	Severance and Other Termination Benefits	Site Closure Costs	Other	Total
Balance as of December 31, 2019	$ —	$ —	$ —	$ —
Charges [(1), (2)]	199	98	65	362
Cash payments	(197)	(3)	(45)	(245)
Non-cash adjustments	—	(95)	(19)	(114)
Balance as of December 31, 2020	$ 2	$ —	$ 1	$ 3

(1) Site closure costs primarily includes $50 million related to the impairment of operating lease right-of-use assets and $38 million for write-offs of leasehold improvements.

(2) Total restructuring and related charges included $248 million of cash settled charges, primarily for severance and other termination benefits and were substantially paid as December 31, 2020.

The remaining costs related to these restructuring activities are expected to be immaterial.

Note 21 - Subsequent Events

2016 and 2018 Senior Secured Term Loan Refinancing

On February 25, 2021, we entered into a refinancing transaction under which we borrowed $2.6 billion pursuant to an amendment to the 2016 Senior Secured Term Loan agreement, the proceeds of which were used to repay in full all previously outstanding loans under the 2016 Senior Secured Term Loan agreement and the 2018 Senior Secured Term Loan agreement. The $2.6 billion is comprised of (i) a $1.1 billion tranche with a maturity date of February 25, 2027, and (ii) a $1.5 billion tranche with a maturity date of April 4, 2025 (together the “Refinanced 2016 Senior Secured Term Loans”). The interest rate for the Refinanced 2016 Senior Secured Term Loans is LIBOR plus 3.50% per annum, subject to a floor of 0.00%.

Equity and Term Loan Investment in Moove

On February 12, 2021, we entered into and completed a series of agreements with Garment Investments S.L. dba Moove (“Moove”) including (i) an equity investment in which Uber acquired a 30% minority interest in Moove from its current shareholders for approximately $5 million at closing and up to $185 million contingent on future performance of Moove and certain other conditions through the eighth anniversary of the agreement, (ii) a term loan of up to approximately $230 million to Moove, and (iii) a commercial partnership agreement. Moove is a vehicle fleet operator in Spain.

Pending Acquisition of Drizly

On February 2, 2021, we entered into a definitive agreement to acquire 100% ownership interest in The Drizly Group, Inc. (“Drizly”), which operates an on-demand alcohol marketplace in North America. The aggregate consideration to be paid by us is estimated to be approximately $1.1 billion, subject to certain adjustments set forth in the definitive agreement payable in a combination of cash and shares of our stock based on a fixed price of approximately $53.16 per share. The transaction is subject to regulatory approval and other customary closing conditions, and is expected to close in the first half of 2021.

Didi Shares Sale

In January 2021, we completed the sale of approximately $207 million of our Didi shares. We have entered into an agreement to sell approximately $293 million additional Didi shares on the same terms, the closing of which remains subject to certain closing conditions, and is expected to close in the first half of 2021. The aggregate shares sold in these transactions represent approximately 8% of our Didi shares as of December 31, 2020.

Sale of ATG Business

On January 19, 2021, we completed the previously announced sale of Apparate, our subsidiary focused on the development and commercialization of autonomous vehicles technologies, to Aurora. In addition, at closing of the transaction, we made a $400 million cash investment in Aurora and entered into a collaboration agreement with Aurora pursuant to which the parties will collaborate with respect to the launch and commercialization of self-driving vehicles on our ridesharing network. After the sale, we hold an approximately 26% and 29% ownership interest in Aurora on a fully diluted and undiluted basis, respectively, made up of a combination of common and preferred stock. We are currently assessing the accounting impact of this transaction on our consolidated financial statements.

CS-Mexico

In December 2020, we received approval from Mexico’s antitrust regulator to complete the CS-Mexico transaction. On January 11, 2021, we completed the transaction and acquired a 55% ownership interest in CS-Mexico by exercising our call option through the CS-Mexico Put/Call agreement, and paid the exercise price of $105 million. We are currently evaluating the assignment of fair values to the assets acquired and liabilities assumed but it is not practical to disclose the preliminary purchase price allocation given the short period of time between the acquisition date and the issuance of these consolidated financial statements.

Schedule II - Valuation and Qualifying Accounts

The table below details the activity of the allowance for doubtful accounts, deferred tax asset valuation allowance, and insurance reserves (in millions):

	Balance at Beginning of Period	Additions [1], [2]	Deductions	Balance at End of Period
Year Ended December 31, 2018				
Allowance for doubtful accounts	$ 28	$ 208	$ (202)	$ 34
Deferred tax asset valuation allowance	$ 1,074	$ 227	$ (7)	$ 1,294
Insurance reserves	$ 1,996	$ 1,578	$ (637)	$ 2,937
Year Ended December 31, 2019				
Allowance for doubtful accounts	$ 34	$ 195	$ (195)	$ 34
Deferred tax asset valuation allowance	$ 1,294	$ 8,616	$ (55)	$ 9,855
Insurance reserves	$ 2,937	$ 1,451	$ (970)	$ 3,418
Year Ended December 31, 2020				
Allowance for doubtful accounts	$ 34	$ 178	$ (157)	$ 55
Deferred tax assets valuation allowance	$ 9,855	$ 3,655	$ (100)	$ 13,410
Insurance reserves	$ 3,418	$ 950	$ (902)	$ 3,466

(1) Additions to insurance reserves include $(74) million, $9 million and $35 million for the years ended December 31, 2018, 2019 and 2020 respectively, for changes in estimates resulting from new developments in prior period claims.

(2) For the year ended December 31, 2019, the increase in the valuation allowance was primarily attributable to a step-up in the tax basis of intellectual property rights, an increase in U.S. federal, state and Netherlands deferred tax assets resulting from loss from operations, and tax credits generated during the year.

For the year ended December 31, 2020, the increase in the valuation allowance was primarily attributable to an increase in tax rate in Netherlands, an increase in U.S. federal, state and Netherlands deferred tax assets resulting from loss from operations, and tax credits generated during the year.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act") reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. As required by Rule 13a-15(b) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report on Form 10-K, our disclosure controls and procedures are effective at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.